The Bank of Nova Scotia
1978 Annual Report

Scotiabank

The Bank of Nova Scotia

The Bank of Nova Scotia, known as Scotiabank to many of its customers around the world, is Canada's second oldest and fourth largest chartered bank. Its assets at the 1978 fiscal year-end totalled $27.7 billion*. Founded in 1832, Scotiabank has grown by developing an extensive branch network in Canada, and by offering banking and related financial services to customers in many other countries, either directly or through subsidiary and associated companies. At the 1978 year-end, Scotiabank had operations in 46 countries, with 976 offices in Canada and 102 offices in other nations. Scotiabank has almost 19,000 shareholders, and provides employment to more than 21,500 people.
(*All dollar figures in this report are in Canadian currency, unless otherwise indicated.)

Executive Offices
44 King Street West, Toronto, Ontario, Canada M5H 1E2

Listing of Shares
Montreal, Toronto, Winnipeg, Alberta, Vancouver, Glasgow and London (England) stock exchanges.

Valuation Day Price
For Canadian income tax purposes, The Bank of Nova Scotia stock was quoted at $31.13 per share on Valuation Day, December 22, 1971. This is equivalent to $15.56½ per share after adjustment for the two-for-one stock split in 1976.

Annual General Meeting
The 147th Annual General Meeting of the Shareholders of The Bank of Nova Scotia was held December 13, 1978 in Halifax, Nova Scotia. Minutes of the meeting are provided to Shareholders.

Rapport en français
Si vous désirez un exemplaire de ce rapport en français, veuillez communiquer avec le Directeur des relations publiques, La Banque de Nouvelle-Écosse, 44 King Street West, Toronto, Ontario, Canada M5H 1E2.

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Scotiabank

MONTHLY REVIEW

THE BANK OF NOVA SCOTIA, TORONTO

August 1978

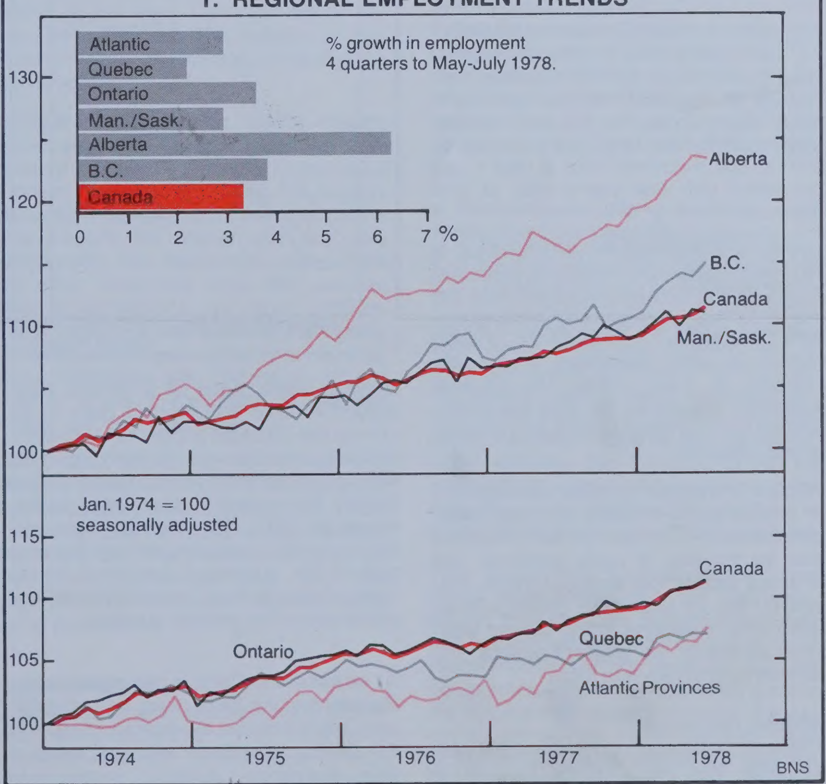
Canadian Business Conditions – A Regional Survey

With more than half of the year now behind us, it is clear that in many respects 1978 will prove to be another disappointing year for the Canadian economy. Despite sizeable reported gains in the number of persons employed, the rate of real economic growth has not been as fast as officially hoped, and the measured unemployment rate has risen further. While the performance of non-food prices and of costs has been most encouraging, the rate of increase of the consumer price index has accelerated discouragingly — with all of the pickup occurring in food prices and reflecting temporary shortages of fresh fruits and vegetables, the vagaries of the beef cycle and the reduced exchange rate on the Canadian dollar.

The one unambiguously bright note in the picture is the strengthened competitiveness of Canadian firms. This is partly the result of the past two years' drop in the Canadian dollar, but it also owes much to the continuing moderation in wage and salary settlements in this country — in the past year or so the underlying trend of costs has actually been slightly better in Canada than in the United States. The benefits are already visible generally in the country's widening surplus on external merchandise trade; for most exporting companies, as well as for many firms competing with imports, there have been notable improvements in profitability. Also, signs of a shift in trade patterns have been emerging in tourism.

Better competitiveness is, however, by no means the whole trading story. Over the past twelve months the strong U.S. economy has provided an expanding market for a wide range of Canadian exports. And overseas sales have also increased slightly, though the persisting sluggishness in major overseas countries has contributed to the decided weakness in the markets for several of Canada's basic products (of which metals have clearly been the most important). More recently new market questions have been raised by the strains that have been developing within the U.S. economy as well as by the persisting payments imbalances and related currency turmoil that have clouded the wider international scene. But up till now the Canadian trading pattern has continued to improve — the surplus on merchandise trade for the first half of the year rising to an annual rate of $3.7 billion. And taking one quarter with the next, there has been a welcome narrowing of Canada's overall deficit on current account (which incorporates service transactions as well as goods).

1. REGIONAL EMPLOYMENT TRENDS



Unlike international demands for Canadian goods, domestic demands have continued sluggish. After two and a half years of controls on incomes and with most parts of the labour market in surplus supply condition, there has been a gradual deceleration of growth in average wages and salaries and in consumer take-home pay. Personal income taxes were cut back a little, mostly in January and February, and the federal government provided for a temporary reduction in provincial sales taxes beginning last April. More than offsetting these measures, however, has been the big upsurge in food prices: for the period from April to July the consumer price index averaged 9.1% over the year-ago level with the rise in non-food items down to 6% but that in food prices up to nearly 17.5%.

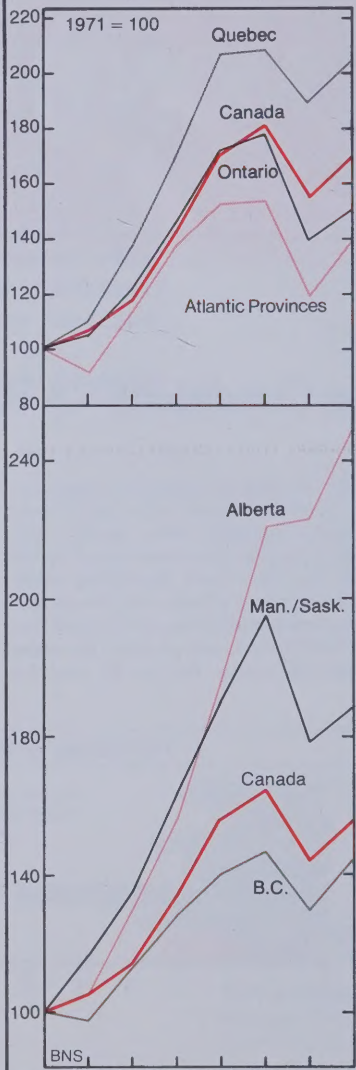
In all likelihood, this year will see a small drop in the real income of the average consumer. The volume of retail business since April appears to have been reasonably good and, in fact, something of a temporary bulge may be developing in "big ticket" items to take advantage of the reductions in sales taxes before they expire. But consumers are having to tighten up after the unsustainably big increases in real incomes experienced in recent years.

The belated readjustment of consumer income growth has also been dampening residential construction activity in most parts of Canada. To be sure, surprising strength was evident through the tail end of 1977 and the opening months of this year, but the underlying market realities—particularly for multiple housing—have reasserted themselves. For the past several months starts have been down to a rate of around 200 thousand units a year — as compared with last year's total of 246 thousand.

So far as businesses are concerned, it is too soon for the improvements in sales and profits arising from better competitiveness to filter through into capital spending plans. And meanwhile, the real volume of such outlays is being depressed by the idle capacity in many areas, the general economic malaise of the past few years, and the winding down of work on a number of large projects.

All parts of the country have been affected in at least some measure by these broad considerations, and all will be influenced also by the kind of world economic and financial pattern that develops in the year ahead. But, as ever, there continue to be quite wide variations in the current business picture in the different regions, the subject to which we now turn.

2. PUBLIC & PRIVATE INVESTMENT
(Excluding Housing)



*revised intentions

Atlantic Provinces

Following a generally poor economic performance last year, Atlantic Canada is showing some signs of a modest turnaround in 1978 with tourism likely to be among the stronger points. Nevertheless, regional output growth will likely again fall short of the national average after trailing behind the country's lack-lustre performance in 1977. The unemployment rate has continued to rise and through the early part of the summer it averaged 12.5% (seasonally adjusted), around 4 percentage points above the national average.

As elsewhere in Canada, the metal mining industry has not been doing well, and this year also there was the protracted strike in the Quebec-Labrador iron ore industry. Cape Breton coal, however, continues to benefit from better prospects for the local steel producer and from strong demand for thermal coal.

This demand for thermal coal is indicative of the adaptation that the Atlantic provinces are having to make to the soaring cost of imported oil, because of their heavy dependence on this source of energy for electricity generation. Construction is continuing at Nova Scotia's Lingan coal-fired station and at New Brunswick's Point Lepreau nuclear facility; Newfoundland's small Hind Lake hydroelectric complex has been given the green light; and numerous other energy projects dot the landscape. Moreover, the search for oil in the tough coastal waters off Labrador should be on the upswing in the not too distant future.

Markets for the region's important forest industries are bright just now with buoyant conditions for newsprint and lumber and the likelihood of a gradual improvement in pulp. There are also indications that the now shut linerboard mill in Newfoundland may yet be reopened with a new owner and with a new product line. In parts of the Atlantic region, however, the potential depletion of timber reserves by the budworm infestation may cause significant dislocation by the mid-1980's.

Atlantic Canada's fisheries have been experiencing a marked improvement. While the ongoing dispute with the United States over fishing rights on Georges Bank could lead to serious problems, the quotas for the Canadian share of the catch have been increased in 1978 and landings are up appreciably. A major strengthening has occurred in the herring fishery in recent years, and there has been a greater emphasis on the harvesting of relatively lucrative shellfish. There are now a variety of official programs underway to upgrade the industry, most notably through expansion and modernization of processing facilities to take advantage of the opportunities opened up by the replenishment of fish stocks and the institution of 200-mile fishing limits.

Quebec

Economic activity in Quebec has continued sluggish over the last year and will remain subdued in the months ahead. As elsewhere in Canada, employment growth in the first half of 1978 was surprisingly buoyant. Nevertheless, in the face of persisting labour force growth, the province's seasonally adjusted unemployment rate has pushed up to around the 11% mark.

Some Quebec industries have been performing well. Production and investment in aluminum and newsprint have been firm, as has activity in some other manufacturing operations like aircraft and automobiles (where there are hopes for a major new

plant). Asbestos markets are expected to strengthen through the year ahead, as should those for base metals. This year may also see the province's tourist industry recovering from the post-Olympic doldrums in the wake of the removal of provincial taxes on accommodation as well as the lower exchange rate for the Canadian dollar. The exchange rate movement, together with the introduction of import quotas and lower provincial taxes, should also be helpful to producers of textiles and clothing.

Further stimulus is being provided by the public sector. Hydro-Québec's James Bay project is in high gear now and outlays there will be $1.9 billion this year, about twice the 1977 level. Work is progressing on one nuclear power project in the Bécancour area—though it is to be stopped at the La Prade heavy water plant as part of the new federal austerity measures. Elsewhere, federal plans to relocate some 17,000 Ottawa civil servants to Hull are in their final stages but still continue to dominate regional building activity. And various levels of government are stepping up construction projects in Montreal to assist the beleaguered construction industry there.

The province, however, does suffer from a number of problems. With its industrial mix oriented towards labour-intensive manufacturing, Quebec has probably suffered relatively more from foreign competition than other parts of Canada, and these problems have still not been overcome. The international shipping recession has caused large layoffs in the province's important shipbuilding industry, and better times may not return until the 1980s. The softness of world metals markets has reduced production in the copper and zinc mines in the province's north-western region and the North Shore iron mines have just recently suffered through a four-month strike.

With recent completion of major iron mining and pelletizing facilities, capital spending in mining has dropped sharply. Construction activity, too, remains weak. In the Montreal area a high level of excess office and commercial space emerged after the rapid expansion of 1974-75, and large inventories of housing units are being reduced only gradually.

Ontario
Activity in some of Ontario's key manufacturing industries has quickened as a result of their own improved cost competitiveness and of buoyant demands in the United States. But industrial capacity generally remains under-utilized and total business spending has been slack even though Ontario Hydro is continuing with a large program of capital outlays. Only in specific limited areas such as the auto and uranium mining industries is there much by way of significant new projects. Commercial construction is relatively soft and the pace of home building in the province now reflects slow personal income growth and past over-building. Despite apparently strong growth in employment, the unemployment rate has continued to edge upwards. Overall, the province's economy appears to be scoring gains about as fast as the country as a whole.

Ontario's important auto manufacturing industry is benefitting from the strengthening of the North American vehicle market since the spring of this year and from the increasing share of this market taken by North American manufacturers. The need to meet mandated fuel-efficiency requirements has brought a considerable volume of automobile plant improvement or modification. A major new engine plant is planned for Windsor. With changed currency relationships, the province's parts industry may be able to benefit over time from the increasing use of North American production facilities by European and Japanese auto manufacturers.

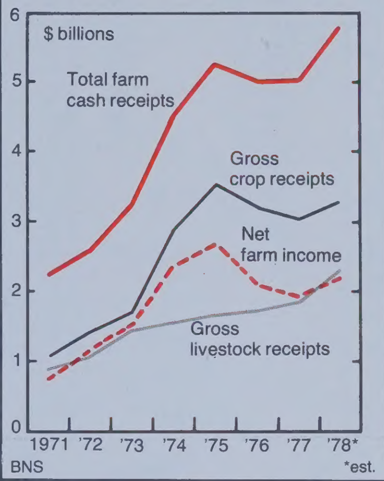
Activity in Ontario's steel industry has held up very well despite severe over-capacity among world steel producers. Part of the strength has been due to building up of inventories as a hedge against possible strikes, but the emergence of a sizeable volume of exports to the United States (aided by the lower Canadian dollar) has also been a factor. The industry is now looking forward to a build-up of gas pipeline construction.

Many parts of Ontario's mining industry have been facing adverse conditions. Most notably, this year's cutbacks in the nickel industry illustrate the weight of surplus production capacity and inventories there, and markets for copper and zinc also remain soft. The demand for uranium, on the other hand, has been firm; uranium exports to the EEC and Japan were resumed early this year following the signing of safeguards agreements, and recently signed contracts with Ontario Hydro will lead to a major expansion of uranium mining and milling facilities.

As in other provinces, the lumber and newsprint mills of Northern Ontario have been buoyed by the firm U.S. market. While markets for pulp have been weak, activity in this sector has been sustained, partly by the lower exchange rate. And the province's tourist industry appears to be doing much better.

Manitoba-Saskatchewan
Despite the mineral development of recent years, the production of grains, particularly wheat, continues to be the major activity underlying the economies of both Manitoba and Saskatchewan. The acreage planted to wheat in the provinces this year was around 7% greater than last year. Despite the softness in world wheat markets, incomes from wheat should be up modestly in view of large Canadian exports and some increase in prices (especially noticeable when they are measured in Canadian dollars). Plantings of barley and oats have been reduced in light of the ample world supplies of feed grains; and while rapeseed acreage has been increased substantially, prices have been declining from their recent peaks. With high cattle prices also supporting farmers' incomes, the agricultural sector should provide a fairly firm base for economic activity in both provinces this year.

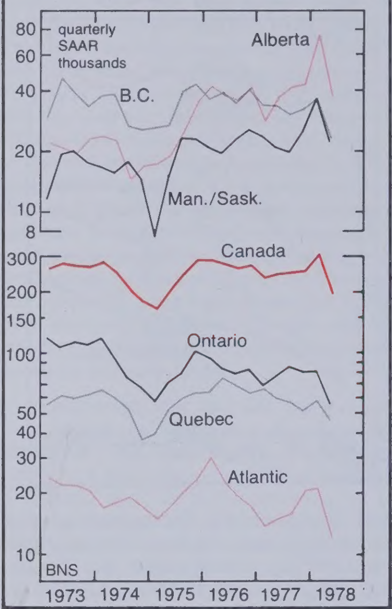
3. PRAIRIE FARM INCOMES



In Saskatchewan, mining exploration and development is accelerating and seems set to provide a significant stimulus to the province's economy for some time to come. The area of greatest near-term potential is uranium mining and a number of firms are planning to install new facilities and to undertake further exploration. Potash mining has also been showing strong growth, and some expansion programs are currently under way. In the oil and gas sector, public attention has focussed of late on prospects for upgrading heavy oil from the deposits around Lloydminster, and there is considerable oil and gas activity elsewhere.

Total employment in Saskatchewan has grown quite briskly over the past year, though the province's unemployment rate has been averaging a bit higher in most recent months. Outside of mining, the only notable increases in capital spending are in the public sector, largely for roads. Expenditures on electric power facilities have dropped since the completion last year of a large expansion project.

4. HOUSING STARTS



For some time now, Manitoba's major resource industries have been faring much less well. Markets for its metals — mainly nickel, copper and zinc — have been weak, there have been some production cutbacks, and few new developments are underway or expected. Capital investment in Manitoba also is sluggish, with hydro electric utility spending being constrained and government expenditures subject to vigorous pruning. The province's construction industry is thus in the doldrums.

Alberta

As has been the case for some years, the continuing development of Alberta's oil and natural gas resources, and all the spinoff effects, have been the basis of a growth performance substantially exceeding the national average. There have been larger-than-average increases in employment, incomes and consumer spending and a high level of spending on commercial, institutional and residential construction. For the time being, investment in energy-related fields may have peaked and fast-growing supplies of office and retail floor space may lead to some easing of the pace of commercial construction also. But spending on new hospitals, colleges and roads is continuing at a buoyant rate, and a bit further down the road is the prospect of a northern gas pipeline.

Although cuts in allowable exports have led to a decline in the volume of oil production in Alberta, this year's domestic price increases have ensured a further substantial rise in the value of production. In addition, the volume of natural gas production is rising somewhat in response to the growth in domestic demand, and revenues are being boosted by exchange rate gains on gas exported to the United States and, to a lesser extent, by domestic price increases.

With the coming on stream in July of the $2-billion Syncrude project, a lull in the pace of spending on new oil and gas projects appears to be in the cards. No actual construction work is likely to arise until the early 1980's from the new proposals for oil sands development near Fort MacMurray and Cold Lake. Spurred by important new finds of both oil and gas, exploration for conventional energy sources, however, is at a high level and should continue there, particularly if it is encouraged by appropriate official export policies.

Construction activity on the new Alberta petrochemical complex is reaching its highest point this year. The first and basic unit of this $1½ - $2 billion project, an ethylene plant at Joffre, should come on stream during the second half of 1979. Complementary units are now being built at Fort Saskatchewan and at Clover Bar outside Edmonton.

In the agricultural sector, wheat and rapeseed acreage has been increased and a modest rise in income from these crops is anticipated. As in other provinces, current high beef prices are giving a boost to farm incomes, which in aggregate should rise slightly this year.

British Columbia

In recent times, British Columbia has been exceeded only by Alberta in the pace of provincial economic growth. Increases in employment have more than matched the growth of the labour force; and the provincial jobless rate, usually above the national figure, is now nearly a percentage point below the Canadian average.

B.C.'s important export industries have gained much from the strength of the U.S. economy and the depreciation of the Canadian dollar. In particular, the province's dominant forest industries are doing well. Lumber has been buoyed by the high rate of U.S. residential construction and newsprint mills are running flat out to keep up with strong export demand, though in both cases demands may tend to flatten out next year. The local plywood industry is largely dependent on the domestic market, but has nevertheless been benefitting from a lessening of import competition. And while pulp production has remained a soft spot, suffering from world-wide oversupply, market conditions seem likely to improve gradually in the months ahead.

Mining, the province's number two industry, is experiencing mixed conditions. The one genuine bright spot in metal mining, molybdenum production, does not have enough weight to lift a sector largely based on copper, lead and zinc. Despite its interesting long-term prospects, coal is suffering from the current slump in the Japanese steel industry. Oil and gas activity in the north-eastern region of the province, however, is pressing vigorously ahead.

Capital spending remains generally subdued. The forest industries are gradually upgrading their plant and equipment, but have no large-scale expansion of facilities on the drawing board. The mining industry has little incentive for new investments. Among the numerous energy-related projects are those in B.C. Hydro's large construction program (which is, however, not running at the pace envisaged in earlier years). Commercial construction remains weak in the Vancouver area but it may well have bottomed out and some major construction is occurring in other regional centres. The upgrading of port facilities, the Coquihalla Pass Highway, and various other transportation projects will provide some impetus in coming years. Housing starts have come well down from their recent peak in 1976 and promise to remain subdued for the near term.

Elsewhere in the economy, the province's tourist industry appears to be having a good year in 1978 with the cheaper dollar and special events in B.C. and Alberta. The increased value of herring has provided considerable benefit to the local fishing industry despite lower landings in 1978 and this year's salmon runs appear good. The Canada-U.S. 'fish war' remains a closely watched cloud on the horizon but the 200 mile fishing limit and programs to expand the salmon resource base augur well for the industry's future.

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THE BANK OF NOVA SCOTIA

Scotiabank

SIX MONTH STATEMENT
APRIL 30, 1978

REPORT TO SHAREHOLDERS

Balance of Revenue after provision for income taxes for the six months ended April 30, 1978 stood at $69.0 millions, an increase of $6.9 millions or 11.2% from the same period a year ago. Per share earnings were $1.67 for the six months as compared to $1.50 for the comparable period in 1977. The Bank's effective rate of income tax was 38.5% this year, down substantially from the rate in the first half of 1977, reflecting the growing impact on earnings of the purchase of tax free investments such as preferred shares and income debentures.

Total assets stood at $24.0 billions at April 30, an increase of 18.4% from the same date a year ago. However, much of this increase is due to the lower value of the Canadian Dollar this year as underlying asset growth has been in the order of 15%, slower than has been the case in recent years.

The Canadian currency interest spread for the six months was slightly higher than that recorded in the first half of 1977 but the foreign currency spread was significantly lower this year, resulting in a drop in the overall margin.

Other operating revenue was up 3.2% from last year reflecting continued competitive pressures, both domestically and internationally. The rate of growth in salary and related costs moderated slightly from the level of the first quarter, however, operating expenses in total were 17.4% higher than last year due mainly to branch and computer system expansion.

It is emphasized that results for interim periods during the fiscal year are not necessarily indicative of the pattern and trend of earnings for a complete year.

C.E. Ritchie
Chairman and President

EXECUTIVE OFFICES

44 King Street West, Toronto, Canada
(Français au verso)

STATEMENT OF REVENUE AND EXPENSES
(Unaudited) (in thousands)

	For the Three Months Ended April 30 1978	1977	For the Six Months Ended April 30 1978	1977
REVENUE				
Income from loans	**$429,532**	$346,749	**$838,216**	$698,945
Income from securities	**39,114**	32,364	**76,502**	65,333
Other operating revenue	**30,488**	27,978	**60,532**	58,633
TOTAL REVENUE	**$499,134**	$407,091	**$975,250**	$822,911
EXPENSES				
Interest on deposits and bank debentures	**$312,974**	$240,939	**$603,528**	$491,985
Salaries, pension contributions and other staff benefits	**73,619**	62,993	**145,374**	123,947
Property expenses, including depreciation	**22,577**	18,517	**42,948**	36,234
Other operating expenses, including provision for losses on loans based on five year average loss experience	**35,466**	30,573	**71,244**	60,923
TOTAL EXPENSES	**$444,636**	$353,022	**$863,094**	$713,089
BALANCE OF REVENUE	**$ 54,498**	$54,069	**$112,156**	$109,822
Provision for income taxes relating thereto	**20,100**	23,000	**43,200**	47,800
BALANCE OF REVENUE AFTER PROVISION FOR INCOME TAXES (Note 2)	**$ 34,398**	$ 31,069	**$ 68,956**	$ 62,022
BALANCE OF REVENUE AFTER PROVISION FOR INCOME TAXES PER SHARE (Note 3)	**$ 0.83**	$ 0.75	**$ 1.67**	$ 1.50
Dividends	**$ 9,488**	$ 8,869	**$ 18,975**	$ 17,738
Dividends per share	**$ 0.23**	$ 0.215	**$ 0.46**	$ 0.43

BALANCE SHEET HIGHLIGHTS as at April 30
(Unaudited) (in millions)

	1978	1977	Per Cent Change
Cash and due from banks	**$ 6,136**	$ 5,096	20.4%
Securities	**2,226**	1,696	31.3%
Loans	**14,080**	12,252	14.9%
Other assets	**1,564**	1,231	27.1%
TOTAL	**$ 24,006**	$20,275	18.4%
Canadian currency deposits	**$ 10,153**	$ 9,133	11.2%
Other currency deposits	**11,548**	9,164	26.0%
Other liabilities	**1,373**	1,207	13.8%
Capital funds	**932**	771	20.9%
TOTAL	**$ 24,006**	$20,275	18.4%

Note 1: The financial statements include the assets and liabilities and results of operations of the following wholly owned subsidiaries: The Bank of Nova Scotia N.V.; BNS International (United Kingdom) Limited; BNS International N.V.; The Bank of Nova Scotia International Limited and its wholly owned subsidiaries, The Bank of Nova Scotia International (Curaçao) N.V. and BNS International (Panama) S.A.; BNS International (Ireland) Limited; BNS International (Hong Kong) Limited; The Bank of Nova Scotia Channel Islands Limited and its wholly owned subsidiary The Bank of Nova Scotia Trust Company Channel Islands Limited.

Note 2: Final determination of amounts transferred as additions to Accumulated Appropriations for Losses is made at fiscal year-end and the practice of estimating such transfers on a quarterly basis has been discontinued.

Note 3: The per share statistics have been based on the monthly average of equivalent fully paid shares as follows:

	1978	1977
Six Months Ended April 30	**41,250,000**	41,250,000
Three Months Ended April 30	**41,250,000**	41,250,000

BNE

LA BANQUE DE NOUVELLE-ÉCOSSE

SITUATION POUR LE SEMESTRE TERMINÉ LE 30 AVRIL 1978

RAPPORT AUX ACTIONNAIRES

À la fin du semestre clos le 30 avril 1978, le solde des revenus, après provision pour impôts sur le revenu, s'élevait à $69 millions, en hausse de $6.9 millions (11.2%) comparé à celui de la période correspondante de 1977. Le bénéfice par action pour le semestre s'établissait à $1.67 contre $1.50 l'année précédente. Cette année le taux réel d'imposition de la Banque est de 38.5% ce qui représente une baisse substantielle par rapport au taux du premier semestre de 1977, cette baisse est attribuable à l'incidence grandissante sur le bénéfice de l'achat de placements exempts d'impôts, tels que des actions privilégiées et des débentures.

Au 30 avril, l'actif global atteignait $24 milliards, soit une hausse de 18.4% sur le chiffre comparatif de l'exercice précédent. Cependant cette augmentation est due en grande partie au déclin du dollar canadien, ainsi que l'indique le taux d'accroissement de base de l'actif, de 15% seulement, taux inférieur à celui des dernieres exercices.

La marge d'intérêt relative aux opérations en dollars canadiens, pour le semestre, dépassait quelque peu celle qui avait été enregistrée en 1977; par contre, la marge concernant les opérations en devises à subi cette année une réduction considérable qui a provoqué un rétrécissement général de la marge d'intérêt.

Le poste "autres revenus d'exploitation" s'est accru de 3.2% par rapport à l'exercice précédent reflétant la pression constante de la concurrence nationale et internationale. Le taux de croissance des salaries et autres frais de personnel à légèrement fléchi depuis le dernier trimestre. Les frais d'exploitation ont cependant augmenté de 17.4% au total, par rapport à l'exercice précédent, on raison surtout de l'expansion des succersales et de la généralisation du système informatique.

Il importe de noter que les résultats périodiques ne sont pas nécessairement caractéristiques de l'évolution de la situation pour l'ensemble de l'exercice.

le Président du conseil et Président,
C.E. Ritchie

DIRECTION GÉNÉRALE

44, rue King ouest, Toronto, Canada
(English on reverse)

ÉTAT DES REVENUS ET DES DÉPENSES

(Non vérifié) (en milliers)

	Trimestre terminé le 30 avril 1978	Trimestre terminé le 30 avril 1977	Semestre terminé le 30 avril 1978	Semestre terminé le 30 avril 1977
REVENUS				
Revenus des prêts	**$429 532**	$346 749	**$838 216**	$698 945
Revenus des valeurs	**39 114**	32 364	**76 502**	65 333
Autres revenus d'exploitation	**30 488**	27 978	**60 532**	58 633
TOTAL DES REVENUS	**$499 134**	$407 091	**$975 250**	$822 911
DÉPENSES				
Intérêts sur dépôts et débentures	**$312 974**	$240 939	**$603 528**	$491 985
Frais de personnel	**73 619**	62 993	**145 374**	123 947
Frais des établissements, y compris les amortissements	**22 577**	18 517	**42 948**	36 234
Autres frais d'exploitation, dont la provision pour pertes sur prêts d'après la moyenne des pertes au cours des cinq derniers exercices	**35 466**	30 573	**71 244**	60 923
TOTAL DES DÉPENSES	**$444 636**	$353 022	**$863 094**	$713 089
SOLDE DES REVENUS	**$ 54 498**	$ 54 069	**$112 156**	$109 822
Provision pour impôts sur le revenu	**20 100**	23 000	**43 200**	47 800
SOLDE DES REVENUS APRÈS PROVISION POUR IMPÔTS SUR LE REVENU (Note 2)	**$ 34 398**	$ 31 069	**$ 68 956**	$ 62 022
SOLDE DES REVENUS PAR ACTION, APRÈS PROVISION POUR IMPÔTS SUR LE REVENU (Note 3)	**$ 0.83**	$ 0.75	**$ 1.67**	$ 1.50
Dividendes	**$ 9 488**	$ 8 869	**$ 18 975**	$ 17 738
Dividendes par action	**$ 0.23**	$ 0.215	**$ 0.46**	$ 0.43

EXTRAITS DU BILAN au 30 avril

(Non vérifié) (en millions)

	1978	1977	Différence en %
Encaisse et à recevoir de banques	**$ 6 136**	$ 5 096	20.4%
Valeurs	**2 226**	1 696	31.3%
Prêts	**14 080**	12 252	14.9%
Autres éléments d'actif	**1 564**	1 231	27.1%
TOTAL	**$ 24 006**	$20 275	18.4%
Dépôts en dollars canadiens	**$ 10 153**	$ 9 133	11.2%
Dépôts en devises étrangères	**11 548**	9 164	26.0%
Autres éléments de passif	**1 373**	1 207	13.8%
Capital	**932**	771	20.9%
TOTAL	**$ 24 006**	$20 275	18.4%

Note 1 : Les états ci-dessus comprennent la situation de l'actif et du passif de même que les résultats d'exploitation des filiales à part entière suivantes : The Bank of Nova Scotia N.V.; BNS International (United Kingdom) Limited; BNS International N.V.; The Bank of Nova Scotia International Limited et ses filiales, The Bank of Nova Scotia International (Curaçao) N.V. et BNS International (Panama) S.A.; BNS International (Ireland) Limited; BNS International (Hong Kong) Limited; The Bank of Nova Scotia Channel Islands Limited et sa filiale, The Bank of Nova Scotia Trust Company Channel Islands Limited.

Note 2 : Le calcul des sommes virées au compte des réserves pour pertes se fait à la fin de l'exercice; nous ne faisons plus ce calcul en fin de trimestre.

Note 3 : Nous avons calculé le solde des revenus par action d'après la moyenne mensuelle du nombre d'actions entièrement libérées. Cette moyenne s'établit comme suit:

	1978	1977
Semestre terminé le 30 avril	**41 250 000**	41 250 000
Trimestre terminé le 30 avril	**41 250 000**	41 250 000

Financial and Statistical Highlights	1978	1977	% Change
Total assets	$27,686,713,961	$22,359,247,248	23.8
Deposits	$25,332,610,833	$20,219,610,977	25.3
Loans	$15,648,477,514	$13,554,462,378	15.4
Accumulated appropriations for losses	$191,824,069	$159,801,439	20.0
Capital funds	$976,049,027	$872,854,599	11.8
Balance of revenue	$239,483,428	$226,244,219	5.9
Provision for income taxes	$85,600,000	$94,700,000	(9.6)
Balance of revenue after income taxes	$153,883,428	$131,544,219	17.0
Balance of profits	$90,883,428	$77,544,219	17.2
Balance of revenue per share	$5.81	$5.48	6.0
Income taxes per share	$2.08	$2.29	(9.2)
Balance of revenue after income taxes per share	$3.73	$3.19	16.9
Transfer to accumulated appropriations for losses per share	$1.53	$1.31	16.8
Balance of profits per share	$2.20	$1.88	17.0
Dividends paid per share	$ .96	$ .86	11.6
Average number of shares outstanding	41,250,000	41,250,000	—
Shareholders	18,937	18,050	4.9
Personnel	21,560	20,544	4.9
Offices	1,078	1,051	2.6

Table of Contents

Scotiabank had 976 branches across Canada at October 31, 1978
Calgary
Regina
Winnipeg
Vancouver
Portland
Charlottetown
Montreal
Ottawa
Toronto
Halifax
Saint John
Boston
New York
Chicago
Cleveland
San Francisco
Los Angeles
Atlanta
Seoul
Tokyo
Bermuda
Houston
Miami
Bahamas
Dominican Republ
Puerto R
Cayman Islands
Mexico
Belize
Jamaica
Haiti
Hong Kong
Manila
St.Lu
Netherlands Antil
Panama
Caraca
Kuala Lumpur
Singapore
Jakarta
Sydney

Scotiabank around the world

The Bank of Nova Scotia provides banking and related financial services to customers around the world, either directly or through subsidiary and associated companies. This stylized map illustrates the extent of Scotiabank's network of offices, stretching across Canada and in 45 other countries. Elsewhere in this report, photographs depict activities in several major regions where Scotiabank serves its customers. A detailed listing of the bank's offices begins on Page 48.

Legend

- General Office
- Head Office
- Regional Offices
- Other Locations

A perspective on 1978

A joint report by the Chairman and by the Chief General Manager

In many ways the past year has been one of better-than-expected achievements, but it has also been one of considerable political and economic strain in many parts of the world. There were heartening gains on the political front, most notably in the opening up of some new constructive compromises in the Middle East. And the pattern of business performance, though still less expansive than might ideally be desired, was in most countries appreciably stronger and healthier than in the preceding year.

Yet many serious trouble spots have obviously remained, and increasingly through the year the broad economic picture came to be dominated by the markedly divergent performances of the major countries and by the resulting strains in financial markets. By year-end, indeed, the relative weakness in the exchange position of the U.S. dollar had led to a decided tightening of U.S. financial policies; and while this move was clearly needed and should work in the interests of sound longer-run growth, it still cast a considerable shadow over the prospects for the period more immediately ahead.

For banks as for most businesses, these are difficult and challenging times. In almost every direction elements of uncertainty have been tending to increase. And in the financial world, in particular, the swings in both interest rates and exchange rates have been exceeding anything in living experience. Yet strikingly enough, both public and private decision-makers have been learning to live with such rapid changes, and in the past year at least there has been very little in the way of the defaults or serious losses that hovered over the scene just a few years ago. In most countries in which the bank operates, in fact, policies in general have taken on a distinct note of caution, and in Canada in particular this development has been reinforced by the determined moderation of costs and by the much-needed rebuilding of profitable and expandable operations.

Within this broad environment, our bank's performance can be counted, we believe, among the more encouraging aspects of the year's experience. Taking advantage of our strong capital base and the opportunities open to us, we added some $5.3 billion or almost 24% to our total asset holdings during the year. The growth on the foreign currency side of our operations, at 34%, included a sizeable element of valuation adjustment because of the reduced exchange rate on the Canadian dollar. The growth in domestic currency assets was 14%; and with some desirable firming in domestic interest rate spreads, the Canadian dollar business contributed more satisfactorily to our overall balance of revenues, which on an after-tax basis grew by 17%.

There was a very noticeable increase in competitive pressures in both domestic and foreign markets during the course of the year. The ample supply of medium and longer-term funds tended to keep domestic mortgage rates down in the face of the sharply rising short-term rates, and for much of the year also there was an evident shading of consumer loan rates though by year-end this had largely disappeared.

In foreign markets, meanwhile, the growing competition for lending business brought a considerable further narrowing in interest rate spreads. On some country loans, indeed, the going spreads have become lower than we believe appropriate to the risks involved, and we have considerably strengthened our systems of credit screening and assessment as a result.

The Canadian economy in 1978

Against the background of a fairly good, if uneven, growth in total world output, the general performance of the Canadian economy in 1978 was a good deal better than most had expected. Based on the evidence available to this point, in fact, it would appear that total production grew by close to 4%. Employment also increased substantially, and by enough not only to keep up with the continuing large additions to the working population but also to notch down the unemployment rate a little in the second half of the year. Trade trends by and large were favourable; business sales and profits improved; and the volume of business investment, which had looked quite wobbly, appears in the event to have shown some net increase.

Much of this improvement clearly derived from the combined effects of better cost management and the lowering of the exchange rate on the Canadian dollar. These brought a visible restoration of competitiveness in several sectors of the economy and clearly strengthened the sales and profit position of both export and import-competing industries. Exports in particular rose by close to 9% in real volume and by more than 17% in dollar value during the first ten months of 1978 as compared with a year earlier.

But there are bound to be at least some unfavourable effects as well from an exchange rate decline; and these paradoxically enough contributed to a great deal of the economic and political unease that has increasingly permeated the Canadian scene.

Canada is a land of vast natural resources and highly developed business, industrial and financial activities. Here, The Bank of Nova Scotia provides banking services to customers from coast to coast through 976 branches. Shown at the top is the dramatic skyline of Toronto, Ontario, where Scotiabank has its General Office and five Regional Offices. The smaller photographs illustrate two of Canada's most important resources — grain, being harvested in Saskatchewan, and timber, on Vancouver Island. Financial services to farmers and to the forest products industry are among Scotiabank's most important activities.

Even the drop in the exchange rate that occurred from late 1976 until the early part of 1978, which was an almost inevitable correction from the earlier excessive increases in Canadian costs, had unfavourable side-effects in the form of enlarged import and interest payments, and of added upward pressures on domestic costs and prices. Unfortunately, too, these effects were accentuated by the sharp upswing in U.S. food prices arising from the quirks of the cattle cycle and from weather-inflicted shortages of off-season fruits and vegetables. Thus in the period of 18 months from early 1977 until mid-1978, Canadian food prices rose by no less than 30%, and this pushed the year-over-year increase in the total Consumer Price Index to the 9% to 10% range, even though the advances in nonfood prices, and in average wages and salaries as well, had moderated to around a 6% to 6½% rate.

Of even greater concern as the year unfolded, however, was the persisting weakness of the exchange rate, and the threat that this posed to even those elements of progress that had been won in the battle to reduce inflation. The country was tending to move into an unhelpful and self-reinforcing cycle of protracted exchange rate decline, of rising import and debt payments, and of mounting restiveness on the labour front. And this is a cycle that is clearly not easy to break.

The various steps taken by the Canadian Government to deal with these problems through the course of 1978 were technically well conceived, but slow to take effect. One big step was for the Government itself to undertake a substantial volume of foreign borrowing, both through long-term debt issues and through short-term standby credits. In addition the Bank of Canada moved more forcefully than suggested by its stated monetary targets to keep Canadian interest rates abreast of the repeated increases occurring in the United States, so trying to discourage any incipient outflows of funds and sustaining at least some rate inducement to inflows. The feeling, not surprisingly, was that anything more aggressive than this would involve that much more dampening of an already subdued domestic economy. But while both the borrowing and interest rate moves had more of a constructive impact than many critical observers are inclined to concede, in the end the cautiousness of their implementation was overridden in a market climate unsettled by the wider international currency turbulence (which is discussed in more detail below) and by the large size of the Government's own budgetary deficit.

On the fiscal as on the monetary front, there has been a continuing adherence to the concept of moderate and gradual restraint. This was the basis for the modest personal tax cuts that had most of their effect in the first two months of 1978, and for the temporary cutting of provincial sales taxes that affected a good part of the year but required an unsustainable degree of federal-provincial co-operation. In addition, there was some further postponing of the gradual adjustment of oil and gas prices up to the world level. And in the budget brought down in mid-November, the Federal Government introduced a moderate cut in its own manufacturers' sales tax as well as some extension to earlier investment incentives.

All of these moves involved something of a compromise between the concern not to add any more than could be helped to the near-term level of unemployment and the desire to keep reducing inflation, even in the face of the unexpected additional pressures on food and import prices. The avowed intent also was that the various special fiscal adjustments should continue to be accompanied by a long-run expenditure restraint, at least to the extent of keeping the increases in government outlays somewhat slower than the indicated advance in total Gross National Product. The difficulties in this regard have been painfully obvious, both in the overrunning of the original targets and in the awkwardness of the efforts to regain control. But this has not evidently lessened the widespread public illusions as to the practical difficulties in controlling expenditures or as to the what-should-by-now-be-discredited notions of a fiscal "quick fix."

The world economy in 1978

As noted in our opening observations, the world economic picture in 1978 was featured by the marked differences of performance among the three major industrial countries and by the impact that this had on the international currency markets. Most attention understandably has focussed on the position of the United States, and its all-too-evident weaknesses in terms of price and credit inflation, widened payments deficit and an internationally buffeted currency.

Set within the context of the relatively moderate cyclical expansion that had been proceeding since 1975, the severity of these U.S. weaknesses came as a disheartening surprise — and so did the unfolding evidence as to the reinvigorated but complicating powers of Congress relative to the President and his

Administration. Some of the problems were undoubtedly exaggerated, and certainly the degree of inflationary upsurge has owed a good deal to the special problems in food and to the unforeseen price repercussions of a falling exchange rate. But the unexpectedly swift tightening of the labour market was a clear enough warning of the impending pressures on the wage front, and the surge in credit demands led irresistably to the comprehensive girding up of both the domestic and international policy defenses.

Through the year, meanwhile, West Germany and Japan continued to experience distinctly subnormal rates of growth, attributable in part to structural considerations, but more importantly a reflection of the heavy emphasis that these countries have placed on curbing inflation and restraining domestic demands. At various international meetings it was recognized that the marked contrasts in the respective policy weightings in these regards lay at the heart of the big payments surpluses for West Germany and Japan, as well as of the payments deficit for the United States. And for Japan as well it was recognized that an inappropriate persistence of trade and financial barriers was a further contributor to the payments imbalance.

Obviously, important policy adjustments were required from the surplus countries as well as from the United States, and some notable steps in this direction have been undertaken, in West Germany in particular. But that the speed of adjustment all round was much slower than required was indicated by the sharpness of the exchange rate swings between the major currencies — more than 50% for the Japanese yen and 35% for the D-mark relative to the U.S. dollar, for instance, from mid-1977 until the end of October 1978. And there were even sharper increases for the Swiss franc and for gold.

With the firmer U.S. moves of late October, and the more determined policy stance they indicated, the markets dramatically reversed. But the cost of this new policy shift almost certainly will include some appreciable slowing of U.S. growth over the next year or so, and some addition to protectionist pressures, to go along with the still unresolved problems of appropriate policy and exchange rate adjustments among the major countries.

In the face of all the evident international strains, it is still possible to note a good many encouraging developments. Some of these are to be found in the channels of international co-operation themselves, both in the continued wrestling with the basic policy issues and in the tenacious efforts to sustain a trading system marked by relative freedom and agreed rules. This latter endeavour has involved various special arrangements to deal with particular trading problems (in steel, shipbuilding and textiles, for example) but its key deliberations have been those directed toward a further broad liberalization under the auspices of the General Agreement on Tariffs and Trade. Much constructive interchange also has been manifested in the further strengthening of International Monetary Fund powers and resources, and in discussion of the renewed proposals for closer European monetary integration. Unfortunately, however, this latter initiative poses added questions for the wider international system, and it has clearly accentuated the currency turbulence of the past few months.

Outside these formally structured international channels, undoubtedly the brightest development of the past year has been the at-least-temporarily-reduced imbalance in the world's energy trading situation. Part of the improvement has come through the more rapid industrial growth in the members of the Organization of Petroleum Exporting Countries, thus adding to OPEC imports and reducing their ongoing surplus income. But demands for their oil supplies also have been moderated by more efficient usage in industrial countries and by the flows of new oil and gas supplies from other sources.

Hand in hand with these energy developments, moreover, we have been seeing the beginnings of what could be one of the most impressive chapters yet in the long historic processes of constructive world development. This chapter is occurring in Asia, and it has already included what might be considered a prologue in the remarkable advances now under way in the so-called Asean group (the Philippines, Indonesia, Malaysia, Singapore and Thailand) and in the Republic of Korea and Hong Kong as well. But an even bigger part of this potential story is promised in the recent moves by China to open up a much larger trading flow with the more industrially developed world.

Challenges for the year ahead

With business expectations now so clearly bending under the weight of recent financial strain, the need for an adequately broad and long-term perspective on evolving events is of that much more importance. There can be little doubt now, indeed, that the inadequacies of policy adjustment through the past year or so will bring a noticeable "correction" in the U.S. economy in 1979. The next year also will be troubled

The Far Eastern nations of the Pacific Rim have been gaining steadily in economic importance, and Scotiabank has increased its presence in the region accordingly. Above, at top, the brilliant skyline of Hong Kong at night depicts one of the region's key financial, commercial and transportation centres. The smaller photographs illustrate, from left to right, a cargo ship loading containers; a tanker unloading oil; and a Chinese junk in Hong Kong's harbour.

by the inevitable tensions that will be entailed in the more determined efforts of the U.S. authorities to roll back the rate of inflation. And for Canadians the situation will be further complicated by their own problems in re-establishing a sound growth pattern, as well as by the continued political uncertainties aroused both by the federal election now indicated for next spring or summer and by the Quebec referendum promised for some months later.

Yet even with these difficulties and uncertainties, it would be a great mistake to exaggerate the magnitude of problems involved. In the United States, for example, the recent strains have come much more from the special pressures on prices and on financial markets than they have from the customary cyclical excesses in either business or consumer spending. Thus the correction that is now indicated should remain of relatively mild proportions, and seems most likely to give an average growth for the year on the order of 2½% to 3%. This likelihood will be underpinned as well by the strengthening of growth that is either already under way or indicated in key overseas countries, and by the quite pronounced narrowing of payments imbalances that can be expected to flow from both the policy adjustments and the large exchange rate changes of the past year. The tide once turned, moreover, is likely to become self-reinforcing, so relieving much of the recent pressure in the exchange and credit markets, and thus further improving the general business climate as we enter the 1980s.

Against such a global background, the Canadian economy should have the potential for a considerable further rebuilding of strength and for a growth rate next year a little better than that in the United States. Sensible decisions are required to take the best advantage of our rapidly re-expanding opportunities in oil and gas, and there are encouraging prospects also in such diverse areas as uranium, coal and aircraft, and in the many new sorts of requirements for lighter and more fuel-efficient cars. Because of the recent tough struggle to regain general competitiveness, however, the most helpful means for the bolstering of Canadian activity would be through the restoration of a reasonable stability in the exchange market for the Canadian dollar. This would ease many of the price and financial pressures of the past year, and permit the volume benefits of past depreciation to overtake the more immediate disadvantages on the price side.

But to achieve such a flow of events almost certainly will require continuing indications that the country is holding firmly to a course of policy moderation. One of the obvious hurdles in this regard is occurring with the ending of wage controls against the backdrop of the past year's big food price rises and the much-needed recovery in company profits. Another challenge will be presented in the fiscal arena where immediate electoral considerations will be adding to the longer-run problems in steering a sensible line. In our view, however, the sobering experience of the past few years will continue to show through in all of these regards.

Though it would be foolish to ignore the many problems and the real risks that face Canada as well as most other countries these days, the wisest approach in our judgement is to move carefully but firmly in support of the positive opportunities and the constructive lines of adjustment in both the general policy and specific business spheres. The world will continue to change — in currency relationships, in trade and tariff arrangements and in energy conditions, to mention only a few of the most obvious ways. But the best hopes for all will continue to lie in the persevering endeavours to sort out our mutual problems and interests, and in a healthy constructiveness of attitude to all the challenges that come our way.

Revisions to the Bank Act

One likely change in our bank's immediate environment in the coming year is the basic legislative framework for banking in Canada. During the past year, officers of our bank devoted considerable time and energy to study and comment upon the Canadian Government's decennial revisions to the Bank Act which, at the time of this writing, are scheduled for completion by March 31, 1979.

We have found much to commend in the proposals for change, such as the stated objective of increased competition, on a more equal footing, between financial institutions in Canada. At the same time, we are disturbed that the proposed changes do not move far enough toward that objective. In particular, we have argued that the Federal Government has failed to recognize the importance of bringing the "near banks" — many of which are provincially incorporated institutions — under adequate federal control. In fact there seems a real danger that without these changes, Canada will be moving increasingly toward a dual or even multiple banking system, partly under and partly free of control by federal monetary and regulatory authorities. By the same token, we have welcomed certain specific proposals, such as the granting of powers to the chartered banks to permit additional financial services, such as leasing and factoring.

One aspect of the proposed amendments on which our bank and its senior officers have commented regularly is the treatment of foreign banks operating in Canada. We support the Government's objective of regulating all banking institutions in Canada, in-

cluding foreign-owned banks, on a more uniform basis. However, we have expressed concern about certain planned limits on foreign banks, such as the proposed ceiling on their aggregate assets and the restrictions on their individual size, which we believe are too restrictive and difficult to regulate in any event. At the heart of our concern is the basic belief that open competition on an equitable basis ultimately is good for banking, and therefore good for our customers. As well, we are mindful of the fair and reasonable treatment our bank has been accorded in so many other nations. We contend that the services we can provide to customers in other countries do benefit those countries, and have argued that Canada itself could benefit from the experience and knowledge of other, non-resident bankers. More important, we foresee considerable opportunities to develop major international financial centres in Canada. Such a development seems both desirable and natural for a nation whose banking and other financial institutions already are among the world's strongest; whose wealth is so dependent on the free flow of trade; and whose history and business connections are so closely linked with the United States, South America, Europe and the Pacific Rim nations. We intend to continue expressing our views forcefully on this matter, and are hopeful that these may have some effect on the Bank Act revision process.

The role of Scotiabankers

Despite the importance of economic and business conditions to our activities, in the final analysis it is the combined efforts of more than 21,500 Scotiabankers around the world which make our bank successful. In times of rapid change, it is all the more important that our personnel be prepared for the challenges. We take satisfaction in the progress that has been made to date in expanding and upgrading our training and development programs, but equally, we are committed to still more improvements in the months and years ahead. And we are certain that the shareholders, the customers and the many associates of The Bank of Nova Scotia join us in expressing appreciation for the efforts and dedication of our bank's personnel.

Chairman and President

Executive Vice-President and Chief General Manager

Report on Operations

Financial Review

On October 31, 1978, The Bank of Nova Scotia's assets stood at $27.7 billion, 23.8% above the level of the previous fiscal year-end. This strong asset growth was the principal factor behind the 17.0% rise in after-tax Balance of Revenue to $153.9 million.

After-tax Balance of Revenue now gives a more accurate view of the Bank's performance than before-tax Balance of Revenue because in the last few years, and particularly in 1978, the Bank increased its holdings of income debentures and other tax-exempt securities.

A transfer of $63 million was made to Accumulated Appropriations for Losses Account, leaving $90.9 million as Balance of Profits which was 17.2% higher than in 1977. Dividends of $39.6 million were paid to shareholders. The remaining amount of $51.3 million was supplemented by a transfer of $39 million from Accumulated Appropriations Account, and Rest Account was thus increased by $90 million as a result of the year's operations.

This $90 million addition to Rest Account increased Shareholders' Equity to $771.4 million at year-end. During the year, $60 million of subordinated debentures were sold and most of a previous issue was redeemed, resulting in a net increase of $12.9 million. At October 31, with $204.6 million in subordinated debentures outstanding, total Capital Funds stood at $976 million.

As noted earlier, Accumulated Appropriations for Losses Account was increased by the $63 million transferred from after-tax Balance of Revenue. The only other large addition to that contingency reserve resulted from 1978's loan loss experience being smaller than the loss, based on five-year average experience, that was charged to earnings. However, most of this credit was offset by a valuation adjustment for securities, caused by lower market prices of bond holdings, largely due to the prevailing high level of interest rates. The transfer to Rest Account of $39 million from Appropriations Account left a balance in the latter account of $191.8 million at year-end, up by $32 million from the end of fiscal 1977.

At October 31, 1978, Capital Funds plus Accumulated Appropriations came to $1,167.9 million, 13.1% or $135.2 million higher than a year earlier.

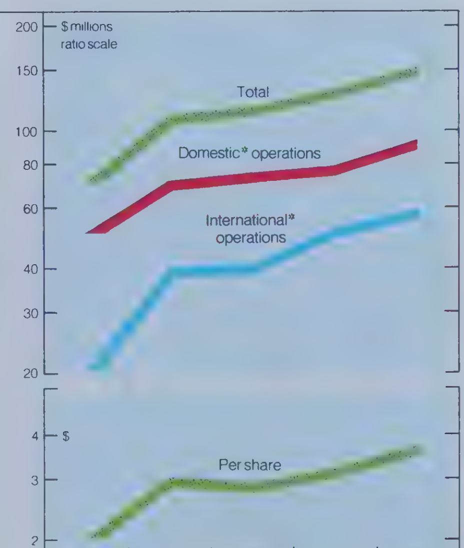
Balance of Revenue after taxes was $3.73 per share in 1978 as compared to $3.19 in 1977. Balance of Profits after the transfer to Appropriations for Losses was $2.20 per share, up 32¢ per share over 1977. Dividends paid increased 10¢ from 86¢ in 1977 to 96¢ a share in 1978.

Balance of revenue after provision for income taxes

In 1978, after-tax Balance of Revenue rose by $22.3 million or 17.0%. The major contribution to profit growth came from domestic operations, which benefited from a slight widening of the interest profit margin on Canadian dollar earning assets. For international operations, interest profit margins narrowed but the year's results were favourably affected by translation of foreign currency earnings and assets at the lower levels of the Canadian dollar.

Since 1974, after-tax Balance of Revenue has increased at a compound annual rate of 22%, with the domestic component growing at 17% and international at 31%. International's contribution to the total has risen from 28.6% to 38.8% over this period.

Since 1974, the average number of shares outstanding has increased by 6.1 million shares as a result of two rights issues, but earnings per share have increased $1.73, a compound annual rate of growth of 17%.



	1974	1975	1976	1977	1978
Average number of shares outstanding	35,142	37,077	40,149	41,250	41,250
Contribution to balance of revenue after provision for income taxes					
Domestic* operations	71.4%	64.2%	64.8%	60.1%	61.2%
International* operations	28.6%	35.8%	35.2%	39.9%	38.8%

*The division of results into the two major components is based on a number of assumptions and internal allocations.

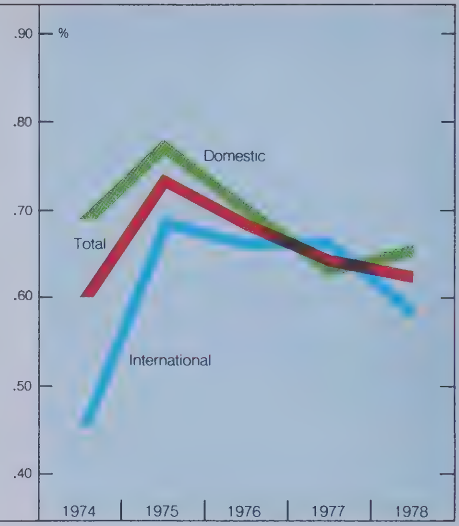
Return on assets*

A satisfactory rate of return on assets has been maintained, sustaining the Bank's ability to supplement its capital base and provide for future growth.

The Bank's after-tax return on average total assets outstanding was 0.63% in 1978, down slightly from 1977 but still above its 1974 level. Though the rate of return domestically increased somewhat from 1977, reflecting better interest rate margins, the return on international operations declined slightly, as a result of narrower interest spreads and increases in operating expenses due mainly to the cost of a continuing aggressive program of branch expansion.

The rate of return produced earnings of 63 cents a year for every $100 of loans and other assets on the Bank's books, demonstrating the high volume, low margin nature of the banking business.

Despite the different characteristics of the Bank's domestic and international operations, the final profit margin has been similar in recent years.

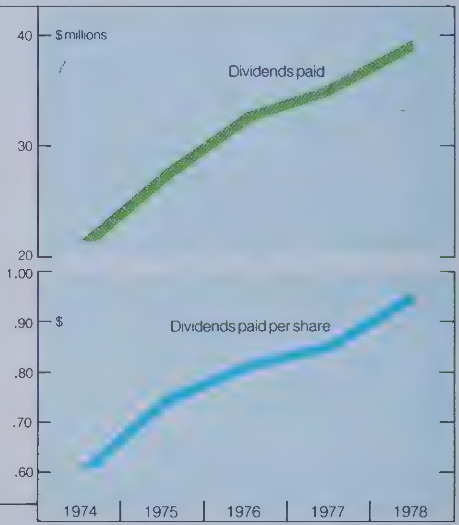


*Balance of revenue after provision for income taxes divided by the average of month-end total assets.

Dividends

In 1978, the Bank paid out $39.6 million in dividends, a rate of 96 cents per share. Dividend payments in 1976-78 were restricted by the Anti-Inflation Board but dividends per share still have risen at a compound rate of 12.2% a year since 1974. The Bank's final quarterly dividend for fiscal 1978 was increased by 2 cents to 26 cents and, subsequently, the dividend for the first quarter of 1979 was raised to 29 cents for shareholders of record at December 29, 1978. The indicated rate for 1979 is now $1.16.

The Bank remains committed to maintaining an appropriate balance between cash payments to shareholders and earnings additions to the capital base on which steady future growth may be based.



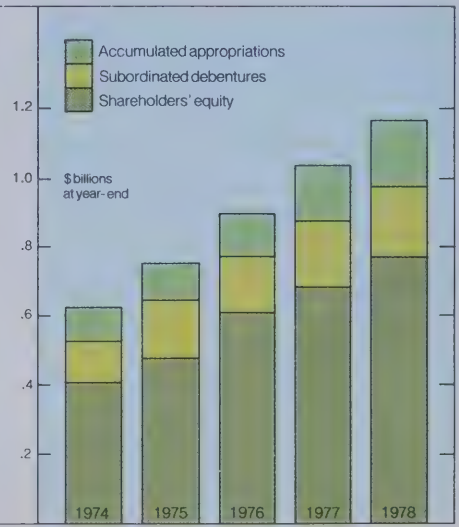
Dividends paid as a % of	1974	1975	1976	1977	1978
Balance of revenue after provision for income taxes	30.2%	24.7%	28.3%	27.0%	25.7%
Balance of profits	47.9%	42.7%	48.0%	45.7%	43.6%

Capital and reserves

The Bank of Nova Scotia believes that a strong capital base is critical to its continued growth and profitability. Since 1974, the Bank has built up its capital and reserves by more than $550 million through retaining earnings, offering rights to shareholders, and issuing subordinated debentures. Nevertheless, strong asset growth has held the ratio of capital and reserves to deposits close to the 5% level.

On a per-share basis, capital and reserves now total $28.31, an increase of $11.57 from the level at the end of 1974.

In 1978, $90 million was transferred to Rest Account from earnings while more than $32 million was added to contingency reserves. A new subordinated debenture issue and the partial retraction of an existing issue increased subordinated debentures outstanding by $12.9 million net. The Bank's remaining capacity under existing Bank Act legislation to issue subordinated debentures was $180 million at year-end.



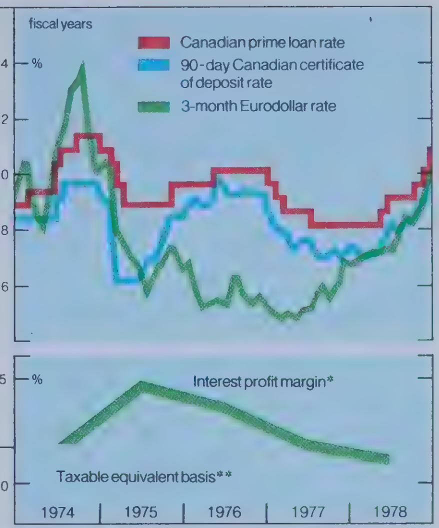
	1974	1975	1976	1977	1978
Capital and reserves at October 31 as a % of total deposits at October 31	5.09%	5.29%	5.49%	5.11%	4.61%

Interest profit margin

The year was marked by sharply climbing interest rates in both Canada and the United States. In Canada, monetary policy in 1978 sought to offset downward pressures on the Canadian dollar brought about, in part, by rising U.S. interest rates.

To the Bank, which pays interest on a wide variety of deposits and earns income from loans and securities, what matters more than the general level of interest rates is its interest profit margin, the difference between its interest revenues and interest costs.

In 1978, the margin fell. While average earning assets increased by slightly more than 20%, net interest income (taxable equivalent basis) increased by 17.3%. There was a small increase in the Canadian currency interest spread. But average foreign currency margins declined, and within the Bank's foreign currency operations asset growth was faster in the wholesale sector where interest margins are lower.

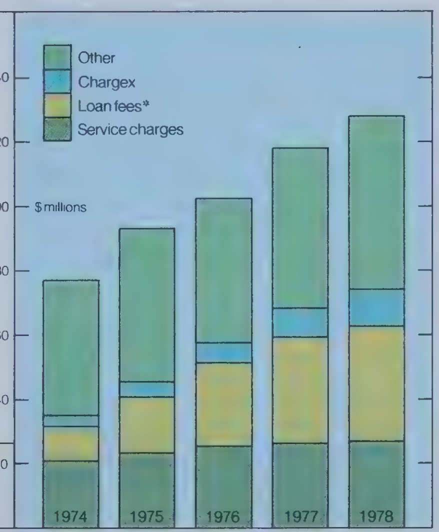


*Defined as net interest income as a % of average total interest earning assets. Total interest earning assets are loans, deposits with other banks (excluding the Bank of Canada) and securities.

**Income from tax-exempt securities has been expressed on an equivalent before-tax basis.

Other operating revenue

Other operating revenue increased 8.3% in 1978, a lesser rate of growth than in recent years. Strong competitive pressures have necessitated price reductions in many markets. The Anti-Inflation Board's constraints on the Bank's domestic pricing also have been an important factor holding down growth in other operating revenue during the last three years. This is evidenced by the increase of only 4% in revenues from service charges on deposit accounts in 1978. Chargex (VISA) commissions, primarily discounts from merchants, increased by more than 30%, reflecting increased market penetration and fairly buoyant retail sales. Loan-related fees, which had grown quickly in recent years, were up by 9.1% in 1978 while all other sources of revenue recorded only a 6% increase.



*Includes standby and loan management fees, fees from acceptances and letters of credit, and mortgage commissions.

	1974	1975	1976	1977	1978
% increase over previous year	+34.9%	+20.3%	+10.2%	+14.8%	+8.3%

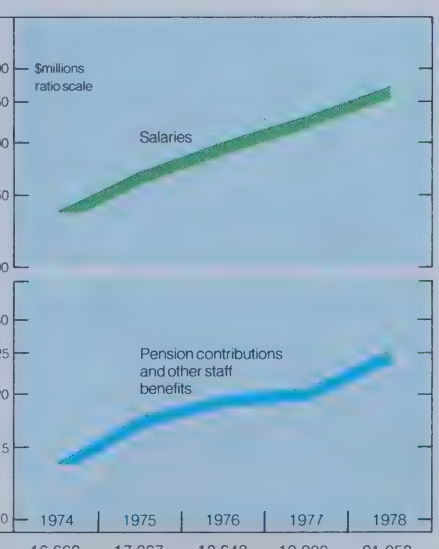
Salaries, pension contributions, and other staff benefits

In 1978, salaries and other staff costs increased by 16.9%, because of the growth of 1,158 in average full-time staff complement and higher wage and benefit levels.

Pension contributions and other staff benefits as shown in the chart do not include the costs of paid absences due to vacations, statutory holidays and illness which are included in salaries and together account for more than 10% of the Bank's total remuneration expense.

Direct benefit expenses increased 24% in 1978, chiefly reflecting higher contribution rates for government pension, unemployment insurance and health care plans, and the full year effect of increases in Bank pension contributions and the dental plan introduced in 1977.

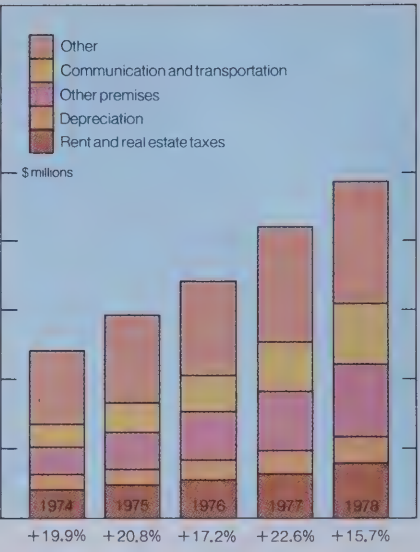
Additions to staff have been fairly steady in recent years and reflect branch expansion and increases in business volumes.



	1974	1975	1976	1977	1978
Average number of full-time staff	16,662	17,867	18,648	19,900	21,058

Operating expenses excluding personnel costs and loan loss experience

These expenses increased 15.7% in 1978, the lowest rate of growth in the past five years. This occurred despite the opening of 35 new offices and major additions to computer and staff training and development facilities. The largest increases relate to branch premises, communication, and transportation, and reflect to a great degree the expansion of the network of offices, price increases by utility companies, and the escalation of rents and property taxes.

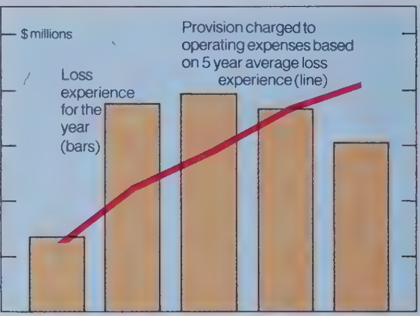


% increase over previous year ....

Loan loss experience

Loan loss experience decreased again in 1978 and as a percentage of eligible loans is now back very close to its 1974 level. The reduction occurred both domestically and internationally.

Although the loan loss experience for the year was down, there was a rise of 12.5% or $4.6 million in the provision charged to operating expenses, which is based on a five-year average loss experience ratio and still reflects the higher loss experiences of 1975 and 1976. A continuation of recent trends should see the rate of growth in this expense slow down in the next few years.



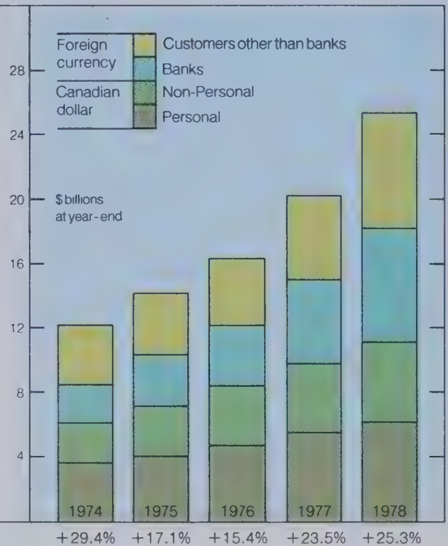
*The definition of eligible loans (which are as at Sept. 30) is prescribed by the Minister of Finance and includes letters of credit, acceptances and guarantees but excludes loans to or guaranteed by another bank, the governments of Canada or a province, the governments of the United States and United Kingdom and certain less material items.

Deposits

Total deposits grew by 25.3% in 1978, reflecting the Bank's high rate of asset growth. Foreign currency deposits rose by more than 36%, whereas those denominated in Canadian currency were up by 13.8%. At year-end, foreign currency deposits were almost 56% of the total deposit figure.

Within Canadian dollar deposits, the faster rate of growth continued to be in non-personal deposits which increased by 15.3% as compared with a rise of 12.5% for personal deposits.

The rate of growth of foreign currency deposits from customers other than banks was slightly higher than that for deposits from banks in 1978, a reversal of the pattern of previous years. It is the Bank's view that a substantial base of non-bank depositors provides additional stability to its international operations.



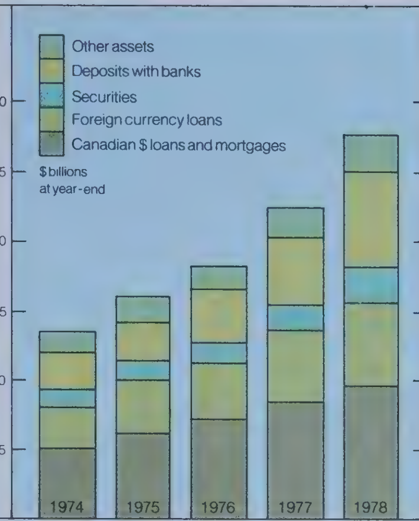
% increase over previous year ....

Assets

Total assets grew by a rapid 23.8% over the fiscal year, reaching $27.7 billion by year-end.

Canadian dollar loans and mortgages increased by 14.0% whereas securities, largely of Canadian issuers, rose 33.4%, mostly reflecting greater holdings of tax-exempt corporate securities.

Growth in the foreign currency categories is partly due to the decline of the Canadian dollar over the year, 5% against the U.S. dollar and even more against most other currencies. The moderate underlying growth in foreign currency loans reflects strong competition and pressures on margins in many international markets, though a noticeable pickup in volumes occurred in the fourth quarter.



% increase over previous year	1974	1975	1976	1977	1978
	+30.4%	+18.9%	+13.6%	+23.0%	+23.8%

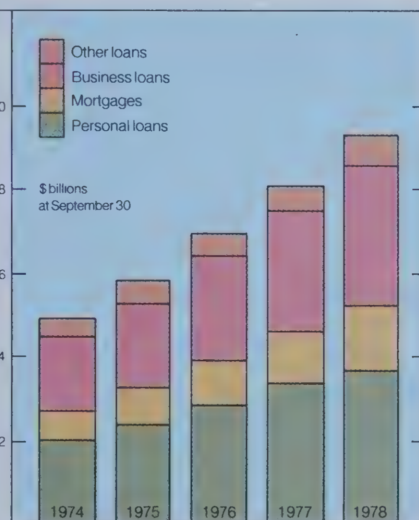
Canadian dollar loans and mortgages

Business loans were up by almost 17%, a greater rate than in 1977 and one that was somewhat larger than the rate of growth achieved by the Canadian banking system as a whole. In addition to the Canadian dollar business loans shown in the chart, domestic commercial credit extended by the Bank includes foreign currency loans to Canadian businesses, holdings of income debentures and term preferred shares, and Canadian bankers' acceptances drawn on the Bank. On this wider definition, the Bank's Canadian commercial credit rose 16% in 1978.

There was a gain of almost 20% in "Other loans", which are mainly agricultural credits and loans to provinces and to local governments and institutions.

Personal loans, on the other hand, increased by only 10% in the year, reflecting intensive competition in the consumer credit market where promotional endeavours increased and prices charged by many lenders were reduced for a time, though an upward trend has been in evidence more recently.

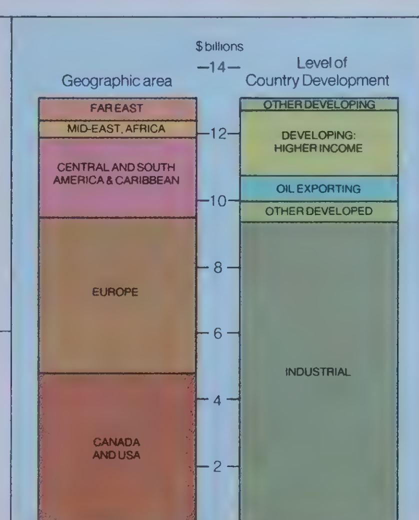
Residential mortgages outstanding on the Bank's books reached almost $1.6 billion by year-end.



% increase over previous year	1974	1975	1976	1977	1978
	+22.6%	+18.1%	+19.7%	+15.6%	+14.9%

Major foreign currency assets

In 1978 the Bank implemented a new major foreign currency credit reporting system and otherwise improved its methods for managing international assets, so as to achieve the benefits of greater timeliness and accuracy. Individual countries are studied regularly with a view to adjusting maturity schedules and updating limits for assets held in particular countries.

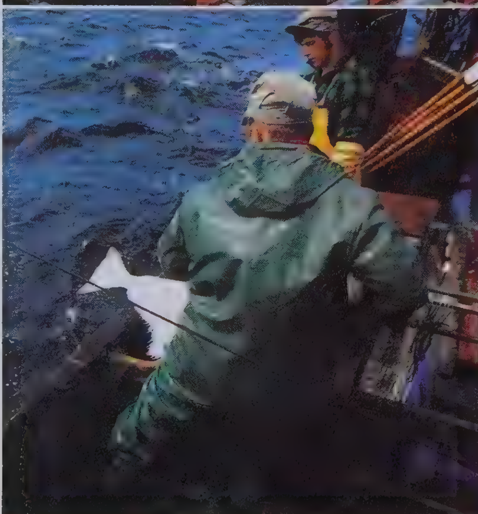


Major foreign currency assets as a % of major earning assets

By geographic area		By level of country development	
Canada and USA	19.9%	Industrial	38.3%
Europe	19.1	Other developed	2.5
Central and South America and Caribbean	9.9	Oil exporting	3.1
		Developing:	
		higher income°	8.6
Middle East & Africa	1.8	middle income°	1.0
Far East	2.9	lower income°	0.1
Total	53.6%	Total	53.6%

Definitions: major foreign currency assets include loans, securities and deposits with banks but exclude cash, gold and call loans; major earning assets are total loans, securities and deposits with banks. Distribution is based on location of ultimate risk.

° As defined in the World Bank Atlas.



Scotiabank finances a wide range of activities in Canada, from large resource projects to small enterprises. The photograph at the upper right shows turbine-generators being installed underground at the James Bay hydro-electric project in the Province of Quebec; Scotiabank has been among the banks helping to finance this development. The photographs at the upper left show, from top to bottom: the container port at Halifax, Nova Scotia; commercial fishing off Canada's Atlantic Coast; and Scotiabank's new international foreign exchange centre in Halifax. The map shows the locations of The Bank of Nova Scotia's major administrative offices in Canada.

Regional Review

Canada

At the heart of Scotiabank's operations in Canada is its extensive network of branches across the country. The Bank had 976 Canadian branches at the fiscal year-end, after opening 25 and closing 7, for a net increase of 18 from a year earlier.

Canadian operations achieved a satisfying increase in earnings in 1978 and provided more than 60% of the Bank's after-tax balance of revenue (on the basis of our internal allocations), despite a generally subdued business environment.

Among 1978's noteworthy economic events were the further decline in the exchange rate for the Canadian dollar; a rapid escalation in the general level of interest rates; the lifting of Anti-Inflation Board controls for many industries early in the year (although not until October 31 for banks); and continued relatively high inflation, pushed by especially large increases in food prices. More positively, there were good increases in employment, business profitability, and export sales.

In this environment, Scotiabank continued its efforts to enlarge market opportunities while improving productivity throughout its Canadian operations. One such program has involved reorganization within the regions, by establishing the position of district managers at the Regional Offices to provide guidance and support to small groups of branches. At the year-end, this new alignment was in place in seven domestic regions — Nova Scotia, the four Ontario regions, Alberta and British Columbia.

In 1978 Scotiabank also established its fourth international centre in Canada, in order to develop a nationwide network of specialized offices for money market and foreign exchange activities, and to provide guidance and expertise on international business generally. The new office, in Halifax, Nova Scotia, followed the creation of international centres in Montreal, Quebec; Toronto, Ontario; and Vancouver, British Columbia.

In retail banking, Scotiabank continued to expand the range of services and products it offers to customers. One new development was ScotiaLine, a program for offering a personal line of credit of between $5,000 and $15,000 to selected customers. Scotiabank Charge-Cheques, an extension of the Bank's popular Chargex (VISA) charge card service, also were introduced in 1978. Charge-Cheques are personalized cheques which are specially coded to access a customer's Chargex account. This extends the range of goods and services which can be obtained through the Chargex credit facility.

As mentioned above, 1978 was marked by rapid changes in interest rate levels. During fiscal 1978, the Bank's prime rate was increased in five stages to 11% at the year-end from 8¼% a year earlier. A further change after October 31 brought the prime rate to 11½% at the calendar year-end.

Generally, the growth in Canadian loan volumes was not as strong as in fiscal 1977. Intense competition in the personal loan market held down the growth of Scotia Plan Loans.

After several months of slow growth in the early part of the year, business loans outstanding increased at a good rate in the latter months of 1978. While business loans in the larger size categories showed the strongest growth in 1978, more than 91% of our Canadian-dollar business loans, by number, are for amounts of less than $200,000. There are more than 40,000 of these smaller business loans on our books, distributed across Canada approximately in proportion to the distribution of population.

There was a large amount of capital financing by major Canadian corporations through the issuance of income debentures and of preferred shares with fixed terms during 1978. Due to changes in tax legislation announced after the fiscal year-end, this type of low-cost financing will no longer be available to corporations except for preferred shares with more than 10 years to maturity.

The Bank's loans to farmers grew strongly in fiscal 1978, by some 22%, and the Bank continued to develop the range of services it provides to farmers and agribusinesses across the country.

The mortgage market was increasingly competitive in 1978, with many financial institutions seeking loan opportunities in the face of a declining rate of housing starts. Despite the strong competitive pressures, our outstanding mortgage loans increased by 21% to $1.6 billion at year-end. This total includes mortgages on both new and existing housing, and both N.H.A. and conventional mortgages. In addition, the Bank's mortgage loan affiliates, in which the Bank has substantial interests, continued to expand rapidly. Scotia Convenants Group increased its residential and commercial mortgage portfolio by 31% to $378 million in the 12 months to October 31; and in the same period BNS Mortgage Corporation increased its residential mortgage portfolio by 38% to $196 million.

During 1978 the Bank made good progress in its involvement with various real estate developments across the country. These have improved local shopping and office facilities, while providing more attractive and efficient offices for the Bank. Con-

struction is well under way, for instance, on a new Regional Office building and main branch in Winnipeg, Manitoba. In May 1978, the Bank officially opened its new banking hall and Regional Office in Saint John, New Brunswick (see page 58 and Inside Back Cover of this report). Leasing has progressed well on the new Vancouver Centre in British Columbia and Scotia Centre in Calgary, Alberta. Construction is well under way on a new four-storey development in Windsor, Ontario, and a five-storey development in Saskatoon, Saskatchewan; and construction has been virtually completed on a modern, 10-storey building in a busy shopping and commercial district of mid-town Toronto.

Such developments are visible indications of Scotiabank's commitment to Canada. But still more important, if less tangible, is the Bank's commitment to remain sensitive to the needs of its customers across the country — recognizing that in a nation as large and diverse as Canada, there are significant differences between regions and industries.

One way Scotiabank assists Canadians is by encouraging — and helping — domestic companies to seek out export opportunities. As a Canadian bank with a global view and international connections, Scotiabank is uniquely equipped for this role.

Assistance to exporters is particularly timely, now that Canadian businesses have become more world competitive, assisted by the reduced exchange rate on the Canadian dollar. This situation has helped a host of businesses and industries already — ranging from forest products companies and Prairie grain farmers to many manufacturers.

There is a widespread view that 1979 may not be a banner year for the Canadian economy; among other factors, there is the prospect of a slowdown in the United States, Canada's largest trading partner. But there are many encouraging developments as well. Many manufacturing industries have been reaping the benefits of improved cost performance, and the turnaround in competitiveness is now beginning to appear in tourist business as well. Oil and gas development is continuing at a vigorous pace in the established producing areas, and exploration activity is moving ahead in the north and off the east coast. Many other mining activities have been improving; farm production and incomes have been showing good gains; and the extension of Canada's fishing limits to 200 miles offshore is bringing a new surge of activity in the nation's fisheries, both east and west.

The Bank continued to invest heavily in electronic data processing equipment and systems in 1978. Although these require a substantial amount of time and effort, as well as capital investment, during the implementation stage, they are bringing considerable benefits. Automation of many previously manual functions has improved customer service, controlled the costs of processing information, and improved the flow of data to management. It has relieved branches of many back office functions, and concentrated these functions in data centres which are specially equipped to deal with large volumes of transactions.

During fiscal 1978, about 150 branches in Canada were added to the Bank's on-line computer system, bringing the total to 820 branches. A new on-line loan system also was installed in 98 branches. As well, the number of branches on the Bank's batch DDA (for demand deposit accounting) system was increased to 866 from 775, and the number of branches with Scotia Plan Loans on a computerized system rose to 836 from 750. This gives the Bank one of the most extensive automated systems in Canada.

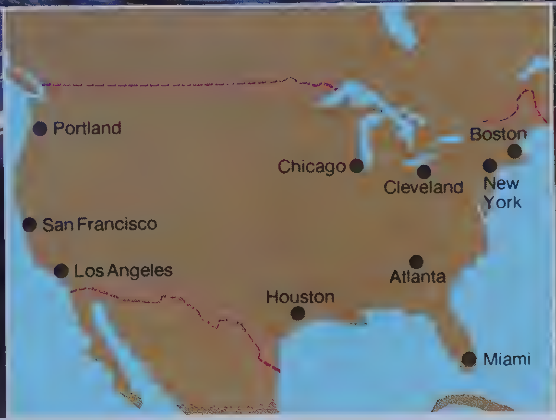
Fiscal 1978 marked the Bank's final year under the compensation regulations of the Anti-Inflation Act. During the year, the Bank continued its policy of implementing improvements to salaries and benefits to the maximum extent permissible under the federal legislation.

As noted in last year's Annual Report, in 1977 we established a new program called Scotiaction. In its first year the program has received and responded to 1,100 questions, suggestions and comments on a broad variety of topics from employees across Canada.

During 1978, the Bank continued to emphasize training and development programs for its personnel. These are directed not only at improving the skills of the staff, but also at increasing their satisfaction and personal development. The major focus of the Bank's internal programs is a network of 17 training centres, 12 in Canada and five in the Caribbean area, where staff training is provided for all levels in the branches below the level of Manager. Programs at these centres deal with subjects ranging from the technical — such as on-line computer systems — to customer relations, supervisor training, and consumer lending. In the 1978 fiscal year, there were more than 13,000 registrations in courses, compared with about 10,800 registrations in fiscal 1977. These programs, designed to meet the practical needs of the Bank's staff, closely support the day-to-day functions on the job.

As well, the Bank assists the men and women on its staff who wish to take part in the educational programs of the Institute of Canadian Bankers. In 1978, there were about 2,800 registrations by the Bank's personnel in such courses.

A further major element in the Bank's development and educational programs is Spencer Hall,



The Bank of Nova Scotia's first office outside Canada was in the United States, opened in 1885. Today Scotiabank has offices located strategically across the U.S., to serve a wide variety of customers (see map). The upper photograph shows the Manhattan skyline of New York City, the financial centre of the U.S. At the lower left is a section of the trans-Alaska oil pipeline, which Scotiabank helped to finance. At the lower right are three Scotiabank representatives in Atlanta, shown at the State of Georgia Capitol; from left, they are G. T. Brennan, D. R. German, and W. G. Bagshaw.

Bermuda
Bahamas
Dominican Republic
Cayman Islands
Puerto Rico
Virgin Islands (U.S.)
Virgin Islands (Brit.)
Belize
Jamaica
Haiti
Antigua
St.Lucia
St.Vincent
Barbados
Netherlands Antilles
Grenada
Trinidad / Tobago
Panama
Caracas
Guyana

which was opened officially in January 1978. Spencer Hall is an in-residence management development and continuing education centre, jointly sponsored by the Bank and The University of Western Ontario. This centre is located near the university campus in London, Ontario, and includes living quarters as well as classrooms and seminar rooms. The Spencer Hall centre is used about half the year by the Bank for its management courses, and is available to the university and other contract users for the remainder of the year.

By the year-end, more than 500 Scotiabank senior officers had attended programs at Spencer Hall, and the Bank expects to make still greater use of the learning centre in 1979.

In addition to its role as a management development centre, Spencer Hall also can serve as a forum for broader discussion of topical subjects. With this in mind, the Bank and The University of Western Ontario sponsored, in April 1978, the first Spencer Hall Conference. Prominent business executives, academics, government officials, clergy and labour leaders attended the first conference, which dealt with the topic "Business and the Public Interest."

United States of America

Expansion of the Bank's network of offices in the United States was of particular note in the Bank's international development in 1978, and also represents a substantial long-term investment.

The Bank in fact has a long history of U.S. experience. Its first branch outside of Canada was opened in 1885 in Minneapolis, to assist in financing the grain trade. But the Bank's presence in the United States actually dates from 1832, the year of the Bank's founding, when an agent was appointed in New York City.

Today the Bank has 10 office locations in the United States, on both coasts as well as in key central cities (see map, page 19). This strategically located network of outlets has permitted the Bank to offer a wide range of wholesale banking services to customers across the United States. The geographical spread also permits close liaison with the Bank's Regional Offices and branches in Canada, and with the Bank's offices in Europe, the Far East, the Caribbean and Central and South America.

The three offices opened in 1978 are in Boston, Miami, and Portland, Oregon.

The Boston office is a full-service branch. In fact it represents a re-entry into the area, because the Bank operated in Boston from 1899 until it closed its original office during World War II. The new Boston branch will strengthen our services throughout the Northeastern area, which has longstanding ties with Canada's Atlantic provinces.

The new office in Portland was opened in October, and is the Bank's third on the U.S. West Coast. It, too, is a full-service branch, and has undertaken general banking business with an emphasis on corporate and international finance.

Also opened in October was the Bank's agency in Miami, which is a gateway to Central and South America and the Caribbean, where Scotiabank has more than 100 offices. Thus the Miami agency is ideally located to strengthen existing trade and international business.

The Bank's other U.S. offices are in New York City, Houston, Chicago, Cleveland, Atlanta, San Francisco and Los Angeles.

he Bank of Nova Scotia was the first Canadian bank to open a ranch in the West Indies (in 1889). Today, Scotiabankers may be ound throughout the Caribbean and in Central and South Ameri-a. At the centre of the illustration opposite is a map showing most ations where Scotiabank offices are located in the area. At the top a view of Santo Domingo, Dominican Republic; at the bottom of e page is the city of Caracas, Venezuela. The smaller photo-raphs — which depict the growing of coffee, and drilling for oil in ake Maracaibo, Venezuela — illustrate two major activities of the egion. Scotiabank provides financing to assist both these busi-esses.

Caribbean

For many years, Canadians have had close ties with the diverse and widely scattered islands of the Caribbean. More recently, the Caribbean has become one of Canada's most important tourist destinations, and many Caribbean nations have developed into important financial centres.

The Bank of Nova Scotia was the first Canadian bank to establish a branch in the West Indies, and in fact will celebrate the 90th anniversary of its first Caribbean outlet — in Kingston, Jamaica — in August 1979. Today the Bank is directly represented in 17 Caribbean nations, with a staff of approximately 2,000, including subsidiary and affiliated companies.

The Bank achieved a satisfactory increase in assets and profitability in the Caribbean in fiscal 1978.

In Trinidad and Tobago, the business of our associate The Bank of Nova Scotia Trinidad and Tobago Limited has been expanding rapidly, serving all aspects of the economy including the oil industry. It now has 16 branches, and has celebrated the 25th anniversary of Scotiabank's presence in Trinidad. During fiscal 1978, assets of this associate rose more than 26% and net profit increased more than 33% (see pages 32, 40 and 41). Since the 1978 fiscal year-end, new shares have been issued and sold to the Trinidad and Tobago public, bringing local ownership to more than 50%.

The largest of Scotiabank's subsidiaries, The Bank of Nova Scotia Jamaica Limited, also recorded sizeable gains in both assets and net profits during fiscal 1978, although profitability has yet to return to the levels of some previous years (see pages 31, 38 and 39).

During fiscal 1978 the Bank opened three branches and a sub-branch in the Dominican Republic, for a total of 10 branches. The Bank now has several outlets in rural areas to serve the important sugar, tobacco and coffee growing industries there.

Through the Bank's own branches in Puerto Rico, and those of its subsidiary Banco Mercantil de Puerto Rico, Scotiabank has become a leading participant in the government-sponsored money market for short-term financing. The Bank also has been a leader in financing the Puerto Rican sugar industry, and in 1978 opened a new data centre in Greater San Juan to serve offices in both Puerto Rico and the Virgin Islands.

In the Bahamas, the Bank's offshore and local business has shown steady growth, in part reflecting an improvement in tourism to the islands. And in Haiti, the Bank soon will open its third branch in Port-au-Prince.

In the Eastern Caribbean, the Bank achieved steady growth during 1978. Operations in Barbados benefitted from a good increase in tourist trade, and the Bank is also expanding its residential mortgage program there.

Central and South America

The nations of Central and South America cover a broad spectrum of economic development. Many of their economies are dependent on agriculture and natural resource extraction, while others are rapidly developing both their industrial capacity and their supporting infrastructure.

The Bank of Nova Scotia has several offices in this large area of the world, including branches in Belize, Guyana and Panama. Additionally, there are representative offices in Mexico; Caracas, Venezuela; Rio de Janeiro, Brazil; and Buenos Aires, Argentina.

The newest of the Bank's representative offices in this area is in Caracas, opened in February 1978. Venezuela is now the fifth largest oil producer in the world, and is engaged in a massive development program to encourage manufacturing, agriculture, mining and other industries. The Bank's Caracas representatives also are responsible for business in Colombia and Ecuador.

One notable aspect of the Bank's activities in Central and South America is its involvement in the co-financing of development projects, in association with the World Bank and the Inter-American Development Bank. In such loans, funds from the World Bank or I.A.D.B. are associated with funds from commercial banks to finance high priority projects as identified by the country involved and by international agencies.

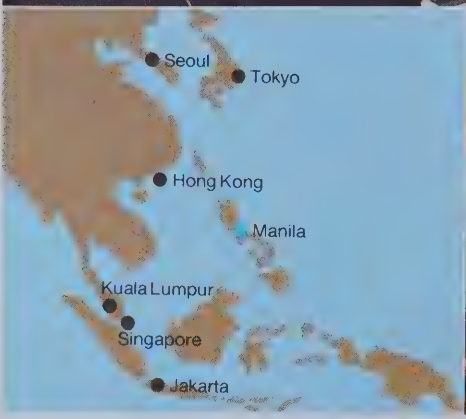
In general, during 1978 the Bank achieved good increases in volumes in the area, and acted as lead manager or manager for loans in a number of instances.

Europe

The nations of Europe, with their highly industrialized economies and several key international financial centres, remain of major importance to Canadian business and trade. Europe continues to be an important area of The Bank of Nova Scotia's international operations.

The Bank has been directly represented in Europe since 1920, when a branch was opened in London, England. Since then the Bank has expanded elsewhere in the United Kingdom and Eire and in Continental Europe. London also was the

The Bank of Nova Scotia now has four offices in the Middle East, two of them in the important oil centres of Dubai and Bahrain. The top photograph shows a view of Dubai across Dubai Creek, an important harbour which has one of the world's largest drydocks. The photograph at the left shows the installation of unique oil tanks in Bahrain. Among other projects, Scotiabank has assisted in the financing of oil pipelines in the region.



The Bank of Nova Scotia in 1978 became the first Canadian bank to open an office in the Republic of Korea, one of the most rapidly developing industrial nations of the Far East. The top photograph shows the South Gate of Seoul, one of four ancient city gates. The map shows the location of Scotiabank offices in the region, including the Pacific Regional Office in Manila, The Philippines. The smaller photographs illustrate two important industries in Korea, steel and textiles.

site of the Bank's first Regional Office outside Canada, opened in 1966, which now has responsibility for the Bank's offices throughout the United Kingdom, Eire, Continental Europe, the Middle East and Africa.

The Bank operates in Europe through a considerable number of branches and other offices, as well as through several subsidiary and associated companies (see map, page 3). It offers a wide variety of banking and related services, ranging from personal banking in some locations to major wholesale banking operations and foreign exchange activities in all areas.

During 1978, attention on the economic and business fronts was focussed on the efforts of European nations — individually and collectively — to curb inflation while allowing for reasonable economic growth. The fight against inflation resulted, in some instances, in the application of credit restraints. However, perhaps the most notable feature of the year was the hectic activity in foreign exchange markets, and the renewed plans for gradual movement toward a European Monetary System.

Among the most significant developments in the foreign exchange markets was the appreciation of most major European currencies relative to the U.S. dollar. This was helpful to the trade and price performance of the area in 1978, but it has been adding to the competitive pressure on domestic producers. And since the exchange rate changes entailed an effective reduction in the purchasing power of the oil-exporting nations (their prices being set in U.S. dollars), they also paved the way for a delayed reaction in the form of oil price increases that are now indicated for the year ahead.

Another notable feature of 1978 was the stiff competition for international loans, particularly in Eurocurrency markets. The high level of liquidity in the capital markets translated into narrower interest rate spreads on syndicated Euro-loans, and thus put pressure on the Bank's margins in this field.

Middle East

The Bank of Nova Scotia has four offices in the Middle East, an area whose economies have reached particular international prominence during the 1970s. The surge in revenues of oil-exporting nations in the area has brought about substantial construction and development, and a major increase in international financial activities.

The Bank's presence in the area dates from 1965, when it opened a branch in Beirut, Lebanon. However, because of hostilities there over the past two years, it has not been possible to provide anything beyond limited service, and that only sporadically.

The Bank's other offices in the Middle East are in Cairo, Egypt, opened in 1975; Manama, Bahrain, opened in 1976; and Dubai, United Arab Emirates, which opened on February 1, 1978.

The Cairo office is a so-called "free currency branch," which is able to take deposits and lend in foreign currencies. The branch is positioned to take advantage of the longer-term potential for Egypt as an industrial and commercial centre.

The Bank has set up an Offshore Banking Unit in Bahrain, which increasingly is becoming a regional money centre. Bahrain's economy is still largely oil-based, but is developing through such other projects as a deepwater port, ship-repairing facilities, and an aluminum smelter.

The Bank's newest office in the Middle East, in Dubai, is designated a "Restricted Licence Bank," which means essentially that it is able to lend both foreign and local currencies, and accept foreign currency deposits, from both residents and non-residents. However it cannot handle certain transactions, such as the acceptance of local currency deposits from the public. The branch has established full foreign exchange and foreign currency money market operations.

Far East

Development of the Far Eastern economies of the Pacific Rim area has been a notable feature of recent years, and in 1978 attracted still more attention because of the growing potential for trade with the People's Republic of China. These changes have signalled the advisability of a strengthening of connections between this vast area of the world and Canadian businesses, institutions and governments.

For The Bank of Nova Scotia, the Far East represents an area of substantial activity which was expanded further in 1978.

The Bank has been located in the Far East since 1962, when it opened a representative office in Tokyo, Japan. That was the beginning of a network of offices which now includes Hong Kong; Jakarta, Indonesia; Kuala Lumpur, Malaysia; Singapore; Manila, The Philippines; Sydney, Australia; and Seoul, Republic of Korea. Of major significance to the Bank's development in the Far East was the opening, in 1975, of its Pacific Regional Office in Manila, which was followed by the establishment of an Offshore Banking Unit in The Philippines in 1977. The Bank's presence in the Far East also is extended by associated companies such as Security Bank and Trust Company of The Philippines, and Schroder, Darling and Company Holdings Limited

of Sydney, Australia.

In March 1978, Scotiabank became the first Canadian bank to open in the Republic of Korea, with a branch located in Seoul. The Korean economy has been growing rapidly, and there has been considerable expansion in such industries as steel, chemicals, ship building, textiles and electronics. Already the Bank has provided financial assistance to certain of these industries, and the new branch in Seoul also is able to help meet the currency exchange requirements of Koreans resident in Canada.

In 1978 as well, the Bank opened a branch in the key centre of Hong Kong. Since 1973, the Bank had operated a representative office in Hong Kong as well as a wholly owned subsidiary, BNS International (Hong Kong) Limited, which has been active in both domestic and foreign banking. The new branch is able to provide all the banking services which local banks offer, but will focus on short-term trade financing, letters of credit, and other transactions related to import/export activities, as well as wholesale and commercial lending.

Soon after the 1978 year-end, the Bank joined four Singapore banks as equal 20% partners in the newly incorporated Singapore Gold Clearing House Private Limited. This company will act as a clearing house for gold contracts concluded on the new Singapore Gold Futures Exchange.

Shown in the photograph is Spencer Hall, an educational centre near the University of Western Ontario campus in London, Ontario, where Scotiabank conducts a range of development courses for its managers. Spencer Hall opened officially in January 1978.

Highlights of Consolidated Results ($000's)

As at October 31	1978		1977	
Assets and Liabilities	Fully Consolidated	Statutory	Fully Consolidated	Statutory
Total deposits	$25,888,383	$25,332,611	$20,716,786	$20,219,611
Total loans	16,724,612	15,648,478	14,411,565	13,554,462
Total securities	2,701,732	2,594,309	2,029,383	1,944,841
Total assets	28,894,429	27,686,714	23,339,344	22,359,247
Total capital employed	988,019	976,049	885,392	872,855
Minority shareholders' capital funds	17,095	—	15,047	—
Capital funds	970,924	976,049	870,345	872,855

For the financial year ended October 31	1978		1977	
Revenue and Expenses	Fully Consolidated	Statutory	Fully Consolidated	Statutory
Total revenue	$ 2,255,414	$ 2,138,264	$ 1,801,787	$ 1,702,484
Balance of revenue after minority interest and before income taxes	248,510	239,483	225,416	226,244
Per share	6.02	5.81	5.46	5.48
Balance of revenue after income taxes	153,262	153,883	126,335	131,544
Per share	3.72	3.73	3.06	3.19
Balance of profits after transfers to appropriations for losses account	88,419	90,883	71,475	77,544
Per share	2.14	2.20	1.73	1.88

Note: The above highlights of the fully consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries. The results of associated companies, in which the Bank has a significant but not controlling interest, are included on an equity basis.

Comments: Under the Bank Act only wholly owned subsidiaries engaged in banking may be consolidated in the annual financial statements of a bank. The Bank believes that the operations of certain other subsidiary and affiliated companies, which are not consolidated in its statutory reports, are sufficiently important to warrant disclosure of their contribution to the financial results. Accordingly, the Bank has prepared fully consolidated figures and the highlights set out above have been reported on by the shareholders' auditors to the Board of Directors.

Fully consolidated earnings have been affected by a provision based on the five-year average loan loss experience of a partially owned banking subsidiary, which takes into account loan losses that were incurred in prior years, for which no tax recovery has been recognized.

Financial Statements

Statement of Assets and Liabilities

As at October 31	1978	1977
Assets		
Cash and due from banks	$ 7,607,239,708	$ 5,394,459,410
Cheques and other items in transit, net	323,138,119	140,428,453
Total Cash Resources	7,930,377,827	5,534,887,863
Securities issued or guaranteed by Canada, at amortized value	1,223,613,543	1,030,931,207
Securities issued or guaranteed by provinces, at amortized value	62,618,893	69,061,199
Other securities, not exceeding market value	1,308,076,853	844,848,829
Total Securities	2,594,309,289	1,944,841,235
Day, call and short loans to investment dealers and brokers, secured	608,667,240	553,673,095
Other loans, including mortgages, less provision for losses	15,039,810,274	13,000,789,283
Total Loans	15,648,477,514	13,554,462,378
Bank premises at cost, less amounts written off	188,743,588	132,879,144
Securities of and loans to corporations controlled by the bank	177,976,312	111,424,600
Customers' liability under acceptances, guarantees and letters of credit, as per contra	1,130,828,731	1,060,204,129
Other assets	16,000,700	20,547,899
	$27,686,713,961	$22,359,247,248
Liabilities		
Deposits by Canada	$ 542,086,221	$ 323,160,587
Deposits by provinces	546,122,664	389,802,138
Deposits by banks	7,277,389,130	5,461,075,460
Personal savings deposits payable after notice, in Canada, in Canadian currency	6,197,118,519	5,505,546,364
Other deposits	10,769,894,299	8,540,026,428
Total Deposits	25,332,610,833	20,219,610,977
Acceptances, guarantees and letters of credit	1,130,828,731	1,060,204,129
Other liabilities	55,401,301	46,776,104
Accumulated appropriations for losses	191,824,069	159,801,439
Capital Funds		
Debentures issued and outstanding (Note 2)	204,641,000	191,730,000
SHAREHOLDERS' EQUITY:		
Capital Stock		
Authorized 50,000,000 Shares at $1 per share		
Issued and fully paid—41,250,000 shares	41,250,000	41,250,000
Rest account	729,000,000	639,000,000
Undivided profits	1,158,027	874,599
Total Shareholders' Equity	771,408,027	681,124,599
Total Capital Funds	976,049,027	872,854,599
	$27,686,713,961	$22,359,247,248

C. E. Ritchie, Chairman of the Board, President and Chief Executive Officer
J. A. G. Bell, Executive Vice-President and Chief General Manager

Statement of Revenue, Expenses and Undivided Profits

For the financial year ended October 31	1978	1977
Revenue		
Income from loans	$1,839,178,091	$1,447,312,462
Income from securities	171,131,290	137,061,469
Other operating revenue	127,954,436	118,110,556
Total revenue	2,138,263,817	1,702,484,487
Expenses		
Interest on deposits and bank debentures	1,363,026,079	1,014,697,096
Salaries, pension contributions and other staff benefits	299,646,117	256,415,793
Property expenses, including depreciation	89,026,690	73,768,346
Other operating expenses, including provision for losses on loans of $41,591,514 (1977: $36,957,973) based on five-year average loss experience (Note 3)	147,081,503	131,359,033
Total expenses	1,898,780,389	1,476,240,268
Balance of revenue	239,483,428	226,244,219
Provision for income taxes relating thereto (Note 4)	85,600,000	94,700,000
Balance of revenue after provision for income taxes	153,883,428	131,544,219
Appropriation for losses	63,000,000	54,000,000
Balance of profits for the year	90,883,428	77,544,219
Dividends	39,600,000	35,475,000
Amount carried forward	51,283,428	42,069,219
Undivided profits at beginning of year	874,599	805,380
Transfer from accumulated appropriations for losses	39,000,000	33,000,000
	91,158,027	75,874,599
Transferred to rest account	90,000,000	75,000,000
Undivided profits at end of year	$ 1,158,027	$ 874,599

Statement of Rest Account

For the financial year ended October 31	1978	1977
Balance at beginning of year	$ 639,000,000	$ 564,000,000
Transferred from undivided profits	90,000,000	75,000,000
Balance at end of year	$ 729,000,000	$ 639,000,000

Auditors' Report

To the shareholders of The Bank of Nova Scotia

We have examined the statement of assets and liabilities of The Bank of Nova Scotia as at October 31, 1978, and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the foregoing statements present fairly the financial position of the Bank as at October 31, 1978, and the revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the year ended on that date.

D. L. Gordon, F.C.A., of Clarkson, Gordon & Co.
A. G. Watson, F.C.A., of Peat, Marwick, Mitchell & Co.

Toronto, Canada, November 24, 1978

Statement of Accumulated Appropriations for Losses

For the financial year ended October 31	1978	1977
Accumulated appropriations at beginning of year:		
General	$ 63,855,516	$ 44,518,731
Tax paid	95,945,923	82,193,118
Total	159,801,439	126,711,849
Additions (deductions) during year:		
Appropriation from current year's operations	63,000,000	54,000,000
Loss experience on loans less provision included in other operating expenses (Note 3)	10,966,020	265,943
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	(9,268,959)	12,948,300
Other profits, losses and non-recurring items, net	1,125,569	(3,324,653)
Income tax credit related to appropriation from current year's operations (Note 4)	5,200,000	2,200,000
	230,824,069	192,801,439
Transfer to undivided profits	(39,000,000)	(33,000,000)
Accumulated appropriations at end of year:		
General	75,002,017	63,855,516
Tax paid	116,822,052	95,945,923
Total	$191,824,069	$159,801,439

Notes to the Financial Statements

1. The Financial Statements include the assets and liabilities and results of the following wholly owned banking subsidiaries: The Bank of Nova Scotia N.V.; BNS International (United Kingdom) Limited; B.N.S. International N.V.; B.N.S. International (Ireland) Limited; The Bank of Nova Scotia International Limited and its wholly owned subsidiaries, The Bank of Nova Scotia International (Curaçao), N.V. and BNS International (Panama) S.A.; B.N.S. International (Hong Kong) Limited; The Bank of Nova Scotia Channel Islands Limited and its wholly owned subsidiary, The Bank of Nova Scotia Trust Company Channel Islands Limited.

2. Subordinated debentures issued and outstanding at October 31:

	1978	1977
7% October 15, 1987	$ 9,068,000	$ 10,002,000
7% April 15, 1991	1,711,000	1,728,000
6¾%-7% January 1, 1992 (Maturity on July 1, 1978 at the option of the holder)	3,862,000	50,000,000
7½% January 1, 1988 (Maturity on July 1, 1979 at the option of the holder)	30,000,000	30,000,000
8¼%-8½% March 1, 1990 (Maturity on March 1, 1982 at the option of the holder)	50,000,000	50,000,000
9½% September 15, 1997	50,000,000	50,000,000
9% April 1, 1984	60,000,000	—
	$204,641,000	$191,730,000

All of the above issues with the exception of the 9% April 1, 1984 issue are subject to sinking fund provisions.

3. The provision for losses on loans results from applying a five-year moving weighted average ratio of loan loss experience to outstanding eligible loans at year end. The method of calculation and the definition of eligible loans are prescribed in regulations issued by the Minister of Finance.

The Bank's loan loss experience for the year is the result of new specific provisions for possible losses on loans less reversals of prior years' provisions and cash recoveries. In 1978 the loan loss experience was $30,625,494 or .232% of eligible loans as compared to $36,692,030 or .321% in 1977.

The charge or credit to the Accumulated Appropriations for Losses Account—General is the difference between the provision for losses on loans based on five-year average loss experience and the loan loss experience for the year.

4. Provision for income taxes shown in:

	1978	1977
Statement of Revenue, Expenses and Undivided Profits	$ 85,600,000	$ 94,700,000
Statement of Accumulated Appropriations for Losses	(5,200,000)	(2,200,000)
Total provision for income taxes	$ 80,400,000	$ 92,500,000

5. The Bank is subject to, and believes it has complied with controls on prices, profits, compensation and dividends under the Canadian Government's Anti-Inflation Program.

Consolidated Statement of Assets and Liabilities

Expressed in Jamaican dollars (Canadian equivalent $.7017)

As at October 31		1978
Assets		
Cash, money at call and deposits with the Bank of Jamaica		J$ 52,017,861
Cheques and other instruments in transit, net		1,069,980
Amounts due by other banks		5,063,717
Government of Jamaica securities at cost		148,336,335
Other investments at cost		2,552,782
Loans, less provision for losses		213,234,705
Customers' liability under acceptances, guarantees and letters of credit		27,182,078
Real estate at valuation and equipment at cost, less depreciation (Note 2)		12,853,355
Investment in The West India Company of Merchant Bankers Limited at cost		800,000
Other assets		845,837
		J$463,956,650
Liabilities		
Deposits		J$416,930,813
Amounts due to other banks		506,884
Acceptances, guarantees and letters of credit		24,258,538
Proposed dividend		337,870
Other liabilities		2,820,768
Capital and Surplus: (Note 2)		
Capital—Authorized 8,500,000 shares of J$1 each		
Issued and fully paid 6,600,000 shares	J$ 6,600,000	
Reserve fund	11,900,000	
Unappropriated profits	601,777	19,101,777
		J$463,956,650

Note 1. At October 31, 1978, the capital stock was 70% owned by The Bank of Nova Scotia and carried on the books of the Bank at the amount of Canadian $6,623,070.

Note 2. Freehold land and buildings of the Bank were professionally revalued during the year ended October 31, 1975, by independent valuers, C. D. Alexander Company International Limited at fair market value and were restated in the accounts at J$8,924,536. The resultant increase of J$1,900,000 over original cost, was credited to the reserve fund.

Consolidated Statement of Assets and Liabilities Expressed in Trinidad and Tobago dollars (Canadian equivalent $.4858)

As at October 31		**1978**
Assets		
Cash, money at call and deposits with Central Bank of Trinidad and Tobago		TT$ 36,012,947
Amounts due by other banks		214,893
Due from associated companies		478,291
Government of Trinidad and Tobago securities at cost		17,542,941
Other investments at cost		50,000
Loans, less provision for losses		400,852,091
Customers' liability under acceptances, guarantees and letters of credit, as per contra		44,354,934
Bank premises at cost, less depreciation		12,484,577
Other assets		907,003
		TT$512,897,677
Liabilities		
Deposits		TT$426,178,180
Amounts due to other banks		10,028,381
Acceptances, guarantees and letters of credit		44,354,934
Cheques and other instruments in the course of settlement, net		3,503,306
Other liabilities		5,891,493
Proposed dividend		1,487,500
Capital and Surplus:		
Capital Stock—Authorized 15,000,000 shares of TT $1 each		
Issued and fully paid 10,625,000 shares	TT$10,625,000	
Reserve fund	10,189,660	
Unappropriated profits	639,223	21,453,883
		TT$512,897,677

Note: At October 31, 1978 the capital stock was 58.8% owned by The Bank of Nova Scotia and carried on the books of the Bank at the amount of Canadian $3,584,890. Subsequent to that date, The Bank of Nova Scotia Trinidad and Tobago Limited issued an additional 2,200,000 shares to the public thereby reducing The Bank of Nova Scotia's ownership to 48.7%

The Bank of Nova Scotia Trust Company (Bahamas) Limited
and its wholly owned subsidiaries
The Bank of Nova Scotia Trust Company (Cayman) Limited
The Bank of Nova Scotia Trust Company (Caribbean) Limited

Consolidated Statement of Assets and Liabilities

Expressed in Bahamas dollars (Canadian equivalent $1.1844)

As at September 30		**1978**
Assets		
Cash in bank		B$ 94,743,826
Canadian Government securities at amortized value, plus accrued interest		220,476
Barbados Government, Jamaican Government and Bahamas Government securities at amortized value, plus accrued interest		1,321,807
Other investments at cost		34,522
Loans and mortgages		13,323,370
Customers' liability under guarantees and other obligations, as per contra		2,769,627
Furniture, fixtures and equipment at cost, less depreciation		210,844
		B$112,624,472
Liabilities		
Deposits, trusts and other balances		B$107,070,262
Guarantees and other obligations		2,769,627
Dividend payable		427,500
Other liabilities		91,017
Capital and Surplus:		
Capital Stock—authorized 3,000,000 shares of B$1 each		
Issued 2,250,000 shares	B$2,250,000	
Earned surplus	16,066	2,266,066
		B$112,624,472

Note 1. The Bank of Nova Scotia Trust Company (Bahamas) Limited provides a full range of personal and corporate trust services.

Note 2. The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $2,342,489.

Statement of Assets and Liabilities Expressed in United States dollars (Canadian equivalent $1.1637)

As at October 31		1978
Assets		
Cash and amounts due by other banks		US$ 1,080,987
Investment bonds at amortized value, plus accrued interest		1,752,372
Furniture, fixtures and equipment at cost, less depreciation		2,930
		US$ 2,836,289
Liabilities		
Deposits, trusts and other balances		US$ 782,167
Income taxes payable		37,176
Other liabilities		12,723
Capital and Surplus:		
Capital stock—authorized and issued 10,000 shares of a par value of US $100 each	US$ 1,000,000	
Paid in surplus	1,000,000	
Undivided profits	4,223	2,004,223
		US$ 2,836,289

Note: The Bank of Nova Scotia Trust Company of New York provides fiduciary services. The capital stock, except for the Directors' qualifying shares, is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of U.S. $1,986,000.

The Bank of Nova Scotia Trust Company (United Kingdom) Limited

Statement of Assets and Liabilities Expressed in Pounds Sterling (Canadian equivalent $2.4170)

As at October 31		1978
Assets		
Cash and amounts due by other banks		£ 426,023
Loans		21,866,749
United Kingdom Government securities at cost		100,000
Other assets		3,585
		£22,396,357
Liabilities		
Loan from The Bank of Nova Scotia		£20,149,080
Deposits, trusts and other accounts		2,019,604
Other liabilities		9,900
Capital and Deficit:		
Capital stock—authorized 500,000 ordinary shares of £1 each		
Issued 300,000 shares	£300,000	
Deficit	82,227	217,773
		£22,396,357

Note: The Bank of Nova Scotia Trust Company (United Kingdom) Limited provides fiduciary services. The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $722,900.

Statement of Assets and Liabilities Expressed in United States dollars (Canadian equivalent $1.1844)

As at September 30		1978
Assets		
Cash and amounts due by other banks		US $ 41,478,534
Investments, at amortized cost		607,200
Loans, less provisions for losses		74,790,125
Bank premises at cost, less depreciation		587,321
Other assets		4,272,821
		US$121,736,001
Liabilities		
Deposits		US$116,356,087
Other liabilities		1,946,276
Capital and Deficit: (Notes 1 and 2)		
Capital Stock		
Preferred—authorized 1,500,000 shares of U.S. $1. each; issued 375,066 shares	US$ 375,066	
Preferred—authorized and unissued 2,500,000 noncumulative second preferred shares of US $0.10 each	—	
Class A common—authorized 2,400,000 shares of U.S. $5. each; issued 650,749 shares	3,253,745	
Class B common—authorized and unissued 1,500,000 shares of U.S. $1. each	—	
Cash contribution to be converted into equity capital	19,500,000	
Reserve fund	5,456,940	
Deficit	25,152,113	3,433,638
		US$121,736,001

Note 1. The capital stock is 94% owned by The Bank of Nova Scotia. In previous years the investment was written down by Canadian $13 million resulting in a current carrying value on the Bank's books of Canadian $16,527,900.

Note 2. During the year ended September 30, 1978, The Bank of Nova Scotia presented a plan to the Government of Puerto Rico and other supervisory authorities for the restructuring and recapitalization of Banco Mercantil's operations. The decision on the plan, which is in the final stages is subject to approval by the supervisory authorities.

Statement of Assets and Liabilities Expressed in Jamaican dollars (Canadian equivalent $.7017)

As at October 31		**1978**
Assets		
Cash		J$ 96,608
Deposit with The Bank of Nova Scotia Jamaica Limited		1,373,684
Loans		1,787,734
Investments at cost		341,556
Customers' liability under guarantees and commitments accepted		953,693
Furniture, fixtures and equipment at cost, less depreciation		13,197
Company owned vehicles on lease, less depreciation		253,075
Factoring agreements (Note 2)		9,288,936
Other assets		57,036
		J$14,165,519
Liabilities		
Deposits		J$11,575,997
Guarantees and commitments accepted, per contra		953,693
Proposed dividend		65,250
Factored payables		288,936
Other liabilities		89,018
Capital and Surplus:		
Capital stock—authorized and fully paid up, 300,000 shares of J$1 each	J$300,000	
General reserve	177,000	
Retained profits	15,625	492,625
7% Capital note (Note 3)		700,000
		J$14,165,519

Note 1. The West India Company of Merchant Bankers Limited provides investment banking services in Jamaica. The capital stock is two-thirds owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $257,685. The Bank of Nova Scotia Jamaica Limited owns the remaining shares.

Note 2. The company has entered into agreement whereby the company factors inventories. The company's exposure is secured by guarantees from major trans-national companies.

Note 3. This note is payable to The Bank of Nova Scotia Jamaica Limited and is approved by the Minister of Finance as forming part of the company's paid up capital and reserve fund for the purpose of fulfilling the conditions of its licence.

Consolidated Statement of Assets and Liabilities

As at October 31		1978
Assets		
Cash and short term deposits		$ 950,617
Accounts receivable		494,353
Other assets		423,712
Land held for development		3,123,031
Land and buildings at cost	$72,850,036	
Less accumulated depreciation	14,448,668	58,401,368
		$63,393,081
Liabilities		
Bank indebtedness		$ 105,181
Accrued liabilities		1,439,708
Loans from The Bank of Nova Scotia		41,684,223
Long term debt		14,940,357
Capital and Retained Earnings:		
Capital stock—authorized, issued and fully paid, 50,000 shares of a par value of $100 each	$ 5,000,000	
Retained earnings	223,612	5,223,612
		$63,393,081

Note 1. The consolidated statements include Scotia Winnipeg Development Limited, a wholly owned subsidiary, and a 50% proportionate share of Scotia Centre Limited and Vancouver Centre Development Limited which are corporate joint ventures.

The company owns the Bank's General Office building in Toronto and is also participating in office developments, part of which are occupied by the Bank.

Note 2. The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of $5,000,000.

Note 3. The company is subject to, and believes it has complied with controls on service income and compensation under the Canadian Government's Anti-Inflation Program.

Empire Realty (Cayman) Limited

Statement of Assets and Liabilities

Expressed in Cayman Islands dollars (Canadian equivalent $1.3976)

As at October 31		1978
Assets		
Accounts receivable		CI$ 4,944
Other assets		1,271
Land and building at cost	CI$1,909,180	
Less accumulated depreciation	210,197	1,698,983
		CI$1,705,198
Liabilities		
Accounts payable		CI$ 12,145
Loan from The Bank of Nova Scotia		1,795,235
Capital and Deficit:		
Capital stock—authorized 160,000 shares of a par value of CI$1 each		
Issued 500 shares	CI$ 500	
Deficit	102,682	(102,182)
		CI$1,705,198

Note: Empire Realty (Cayman) Limited owns an office building in the Cayman Islands, part of which is occupied by the Bank. The capital stock is wholly owned by The Bank of Nova Scotia and is carried on the books of the Bank at the amount of Canadian $617.

Auditors' Report

To the shareholders of The Bank of Nova Scotia

We have examined the statements of assets and liabilities of the foregoing controlled corporations as of the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying statements of assets and liabilities present fairly the financial positions of the corporations as at the dates indicated.

D. L. Gordon, F.C.A., of Clarkson, Gordon & Co.
A. G. Watson, F.C.A., of Peat, Marwick, Mitchell & Co.

Toronto, Canada, November 24, 1978

The Bank of Nova Scotia Jamaica Limited
and its subsidiary
The Bank of Nova Scotia Trust Company of Jamaica Limited

Consolidated Balance Sheet Expressed in Jamaican dollars

As at October 31	1978	1977
Assets		
Cash resources		
Coin	$ 317,619	$ 322,761
Notes of, deposits with, and money at call at, Bank of Jamaica	51,377,169	26,715,480
Government and bank notes other than Jamaican	323,073	223,124
Amounts due by other banks	—	884,965
Accounts with parent and fellow subsidiary companies	5,063,717	—
Cheques and other instruments in transit, net	1,069,980	2,901,133
	58,151,558	31,047,463
Investments		
Government of Jamaica securities	148,336,335	82,966,470
Other	2,552,782	1,859,219
Fellow subsidiary company	800,000	800,000
	151,689,117	85,625,689
Loans, after making provision for losses	213,234,705	229,560,422
Other assets		
Customers' liability under acceptances, guarantees and letters of credit	27,182,078	20,921,425
Real estate at valuation and equipment at cost, less depreciation	12,853,355	13,014,435
Other assets	845,837	530,409
	$463,956,650	$380,699,843
Liabilities		
Deposits	$389,817,506	$335,775,872
Amounts due to other banks	506,884	793,039
Accounts with parent and fellow subsidiary companies	—	4,359,004
Deposit scheme (Note 2)	27,113,307	—
Acceptances, guarantees and letters of credit	24,258,538	20,921,425
Proposed dividends, less tax	337,870	241,353
Other liabilities	2,820,768	490,340
	444,854,873	362,581,033
Stockholders' equity		
Capital Stock—Authorized, 8,500,000 Ordinary shares of $1. each		
Issued and fully paid—Ordinary stock units of $1. each—6,600,000	6,600,000	6,600,000
Reserve fund	11,900,000	11,100,000
Unappropriated profits	601,777	418,810
	19,101,777	18,118,810
	$463,956,650	$380,699,843

O.E.Jones, M.W.Facey, I.M.MacGregor, *Directors*

The Bank of Nova Scotia Trust Company of Jamaica Limited, *Secretary*

The Bank of Nova Scotia Jamaica Limited
and its subsidiary
The Bank of Nova Scotia Trust Company of Jamaica Limited

Consolidated Profit and Loss Account
Expressed in Jamaican dollars

For the year ended October 31		1978		1977
Profit before taxation after provision for contingencies		$3,817,592		$2,958,526
Taxation:				
Company profits tax at 30%	$1,246,167		$ 920,007	
Additional company profits tax at 15%	623,083		460,004	
		1,869,250		1,380,011
Net profit		1,948,342		1,578,515
Dealt with in the accounts of the parent company	1,664,503		1,349,936	
Deduct:				
Dividends paid and proposed, gross:				
Interim dividends paid—13¢ (12¢)	858,000		792,000	
Final dividend proposed—7¢ (5¢)	462,000		330,000	
	1,320,000		1,122,000	
Less: Income tax deducted and retained	354,625	965,375	301,400	820,600
		982,967		757,915
Add:				
Unappropriated profits at beginning of year		418,810		310,895
		1,401,777		1,068,810
Deduct:				
Transfer to Reserve Fund		800,000		650,000
Unappropriated profits at end of year		$ 601,777		$ 418,810
Retained in the accounts of the parent company	$ 279,020		$ 179,892	
Retained in the accounts of the subsidiary	322,757	$ 601,777	238,918	$ 418,810
Net profit per stock unit calculated on 6,600,000 stock units		29.5¢		23.9¢

Notes to the Financial Statements

Note 1. Significant Accounting Policies:
Consolidation. The consolidated financial statements include the results of the Bank and its wholly owned subsidiary — The Bank of Nova Scotia Trust Company of Jamaica Limited.

Interest. Interest income and expense are recorded on the accrual basis, the only exception being that interest income on non-current loans is recorded on the cash basis.

Provision for loan losses. The provision for loan losses is based on loan experience and other factors including the character of the loan portfolio and business and economic conditions.

Fixed assets. Land and buildings are stated at an independent valuation obtained in 1975 with subsequent additions at cost. Other fixed assets are shown at cost. Depreciation and amortisation are calculated by the straight-line method at rates estimated to write off the assets over their expected useful lives.

Taxation. The taxation charge is based on reported net profit.

Investments. Investments are stated at cost plus accrued interest.

Foreign currency translation. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the rates prevailing at year-end.

National Housing Trust. Payments made to the National Housing Trust are included in other investments at face value. Payments to 31st October 1978 totalled $706,580 (1977 $407,864).

Note 2. Deposit scheme:
The Government introduced a scheme whereby arrears of debts repayable in foreign currencies at 30th June 1978 would be paid over a period of time provided the debtors made interest free deposits of the Jamaican dollar equivalent with Commercial Banks. The Commercial Banks were required to make similar deposits with the Central Bank. Once approvals for liquidation of the foreign liabilities are obtained such deposits are reduced.

Note 3. In arriving at the profit for the year the following have been charged:

Directors' emoluments:	1978	1977
Fees	$ 23,550	$29,782
Other (salaries of full-time officers who are directors)	128,889	86,439
Auditors' remuneration	55,500	43,000

Auditors' report to the members of The Bank of Nova Scotia Jamaica Limited

We have examined the foregoing financial statements and have obtained all the information and explanations which we required. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary.
In our opinion, proper accounting records have been kept and proper branch returns obtained and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of the group at 31 October 1978 and of the profit of the group for the year then ended and comply with the provisions of the Companies Act applicable to banking companies.

Price Waterhouse & Co., Chartered Accountants

Peat, Marwick, Mitchell & Co., Chartered Accountants

Kingston, Jamaica, November 15, 1978

The Bank of Nova Scotia Trinidad and Tobago Limited
and its subsidiary
The Bank of Nova Scotia Trust Company of The West Indies Limited

Consolidated Balance Sheet Expressed in Trinidad and Tobago dollars

As at October 31		1978		1977
Assets				
Cash resources				
Cash and statutory deposits with the Central Bank of Trinidad and Tobago		$ 36,012,947		$ 35,372,495
Due from other banks		214,893		6,421,171
Cheques and other instruments in the course of settlement, net		—		2,034,842
Due from associated companies		478,291		—
Total cash resources		36,706,131		43,828,508
Investments (Note 1e)		17,592,941		22,171,558
Loans, after making provision for losses		400,852,091		278,268,150
Other assets				
Customers' liability under acceptances, guarantees and letters of credit per contra	$44,354,934		$50,600,735	
Fixed assets, at cost less accumulated depreciation and amortisation (Notes (1d) and 2)	12,484,577		10,465,428	
Other assets	907,003	57,746,514	558,907	61,625,070
		$512,897,677		$405,893,286
Liabilities				
Deposits		$421,106,989		$329,511,839
Customers' liability under acceptances, guarantees and letters of credit		44,354,934		50,600,735
Due to other banks		10,028,381		—
Due to parent and associated companies		5,071,191		1,489,136
Proposed dividends		1,487,500		1,381,250
Corporation tax and unemployment levy		3,130,020		2,107,760
Cheques and other instruments in the course of settlement, net		3,503,306		—
Other liabilities		2,761,473		1,151,919
Total liabilities		491,443,794		386,242,639
Shareholders' Equity				
Capital:				
Authorized, $15,000,000 divided into 15,000,000 shares of $1 each				
Issued and fully paid, 10,625,000 shares (Note 4)		10,625,000		10,625,000
Statutory Reserve Fund (Note 3)		10,189,660		8,499,336
Unappropriated profits		639,223		526,311
Total shareholders' equity		21,453,883		19,650,647
		$512,897,677		$405,893,286

Approved on behalf of the Board
Cedric E. Ritchie, *Chairman* Jack de Lima, *Director*
Ronald A. Chan, *General Manager* Bernard V. Primus, *Director*

Auditor's report to the shareholders

We have examined the consolidated balance sheet of The Bank of Nova Scotia Trinidad and Tobago Limited and its subsidiary at 31st October, 1978 and the consolidated statement of profit and loss and unappropriated profits for the year then ended. We have obtained all the information and explanations we have required. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company and its subsidiary, these consolidated financial statements are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Company and its subsidiary at 31st October, 1978 and the results of their operations for the year then ended.

Peat, Marwick, Mitchell & Co., Chartered Accountants

Port of Spain, 7th November, 1978

The Bank of Nova Scotia Trinidad and Tobago Limited
and its subsidiary
The Bank of Nova Scotia Trust Company of the West Indies Limited

Consolidated Statement of Profit and Loss and Unappropriated Profits
Expressed in Trinidad and Tobago dollars

For the year ended October 31			1978	1977
Operating profit for the year after providing for directors' fees of $49,850 ($48,054 in 1977) and depreciation and amortisation of $632,972 ($494,229 in 1977)			$14,372,353	$11,116,098
Less corporation tax and unemployment levy			7,469,117	5,955,607
Net profit			6,903,236	5,160,491
Less appropriation to the Statutory Reserve Fund (Note 3):				
Minimum requirement — 10% of net profit			690,324	516,049
Additional appropriation			1,000,000	1,000,000
Total appropriation to the Statutory Reserve Fund			1,690,324	1,516,049
Net profit less appropriation to the Statutory Reserve Fund			5,212,912	3,644,442
Add unappropriated profits at beginning of year			526,311	685,619
Unappropriated profits before deducting dividends			5,739,223	4,330,061
Per Share				
Less dividends paid and proposed:	**1978**	**1977**		
Interim dividends paid	$0.34	0.26	3,612,500	2,422,500
Final dividend proposed	0.12	0.10	1,275,000	1,062,500
Extra dividend proposed	0.02	0.03	212,500	318,750
Total dividends paid and proposed	$0.48	$0.39	5,100,000	3,803,750
Unappropriated profits at end of year			$ 639,223	$ 526,311

Notes to Consolidated Financial Statements

Note 1. Summary of Significant Accounting Policies

(a) **Principles of Consolidation.** The accompanying consolidated financial statements include the financial statements of The Bank of Nova Scotia Trinidad & Tobago Limited and its wholly-owned subsidiary, The Bank of Nova Scotia Trust Company of the West Indies Limited. Inter-company balances and transactions have been eliminated.

(b) **Foreign Currencies.** Assets and liabilities denominated in foreign currencies have been translated to Trinidad and Tobago currency at the rates ruling on 31st October, 1978.

(c) **Pension Plan.** The Bank operates a non-contributory pension plan covering substantially all of its employees as well as those of its subsidiary company. The Bank's policy is to fund pension costs as accrued and based on actuarial valuations done every three years. Provisional results of an actuarial valuation of the plan as at 31st October, 1977 indicated a past service liability of $329,000 which will be funded by increased Company contributions until the next actuarial valuation.

(d) **Fixed Assets.** Fixed assets are stated at cost less accumulated depreciation and amortisation.
Depreciation and amortisation are charged on the net book value of depreciable assets at rates that would expense their cost over their estimated useful lives.

(e) **Investments.** Investments are stated at cost or amortised cost.

Note 2. Fixed Assets
Fixed assets balances of the Bank at 31st October, 1978 were:

Asset	Cost	Accumulated Depreciation	Net Book Value
Land	$ 2,166,738	—	2,166,738
Buildings	6,578,806	577,228	6,001,578
Leasehold premises	859,699	401,566	458,133
Furniture and equipment	4,955,390	1,201,281	3,754,109
	$14,560,633	2,180,075	12,380,558

Note 3. Statutory Reserve Fund
In accordance with the Banking Act, 1964, the Bank is required to transfer to a Statutory Reserve Fund, a minimum of 10% of its net profit annually, until the total of the Fund is equal to its paid-up capital.

Additions to the Fund during the year were as follows:

Balance at the beginning of the year	$ 8,499,336
Add amount appropriated from net profit for the year:	
Minimum requirement — 10% of net profit	690,324
Additional appropriation	1,000,000
Total appropriated from net profit for the year	1,690,324
Balance at the end of the year	$10,189,660

Note 4. Proposed Share Issue
On Monday, 13th November, 1978, the Bank will offer for sale, two million two hundred thousand (2,200,000) new ordinary shares at a price of $6.20 per share.
The Bank will determine the allotment of shares subject to the following conditions:

If the number of shares applied for exceeds the number offered the shares will be allotted in such a way as to achieve the widest possible distribution among the applicants, with preferential consideration being given to applications in the following order:

(i) Employees of the Bank and its subsidiary up to 300,000 shares.
(ii) The National Insurance Board up to 220,000 shares.
(iii) Nationals of Trinidad and Tobago, subject to the qualification that if an applicant is a party to more than one application, whether individually or jointly, then after the first to which he is a party has been dealt with all other applications will be rejected. A joint application of a husband and wife will be treated as that of an individual.
(iv) Trustees of pension funds registered in Trinidad and Tobago.
(v) Locally-controlled companies or institutions.
(vi) Nationals of countries which are signatories of the CARICOM Agreement and who are resident in Trinidad and Tobago.
(vii) Other persons resident in Trinidad and Tobago.
(viii) Other companies incorporated in Trinidad and Tobago or registered therein under Part X of the Companies Ordinance.

Note 5. Contractual Obligations
The Bank has commitments for renovations and extensions to certain of its properties totalling approximately $4,000,000.

The Bank of Nova Scotia Ten Year Statistical Review ($000's)

Statement of Revenue, Expenses and Undivided Profits

	1978	1977	1976
Revenue			
Income from loans	$ 1,839,178	$ 1,447,312	$ 1,285,320
Income from securities	171,131	137,061	119,988
Other operating revenue	127,955	118,111	102,865
Total revenue	2,138,264	1,702,484	1,508,173
Expenses			
Interest on deposits	1,363,026	1,014,697	905,024
Salaries, pension contributions, etc.	299,646	256,416	223,093
Property expenses	89,027	73,768	61,001
Other operating expenses	147,081	131,359	105,602
Total expenses	1,898,780	1,476,240	1,294,720
Balance of revenue	239,484	226,244	213,453
Provision for income taxes	85,600	94,700	96,600
Balance of revenue after taxes	153,884	131,544	116,853
Appropriation for losses	63,000	54,000	48,000
Balance of profit for the year	90,884	77,544	68,853
Dividends	39,600	35,475	33,066
Amount carried forward	51,284	42,069	35,787
Undivided profits at beginning of year	874	805	893
Transfer from accumulated appropriation for losses	39,000	33,000	21,000
	91,158	75,874	57,680
Transferred to rest account	90,000	75,000	56,875
Undivided profits at end of year	$ 1,158	$ 874	$ 805
Balance of revenue after income taxes per share**	$ 3.73	$ 3.19	$ *2.91
Dividends paid per share**	$ .96	$ .86	$ *.815
Average number of shares outstanding	41,250,000	41,250,000	*40,148,602
Number of shareholders***	18,937	18,050	16,959
Number of offices***	1,078	1,051	1,031
Number of full-time personnel***	21,560	20,544	19,163

Note: For presentation purposes, certain statutory descriptions have been abbreviated.

*Restated to reflect the two for one stock split on December 20, 1976
**Based on Average Shares
***At October 31

1975	1974	1973	1972	1971	1970	1969
$ 1,217,512	$ 1,010,195	$ 646,666	$ 451,784	$ 420,623	$ 427,908	$ 355,221
104,153	86,050	66,764	59,274	59,969	54,479	45,507
93,320	77,592	57,527	47,128	41,842	38,559	38,623
1,414,985	1,173,837	770,957	558,186	522,434	520,946	439,351
869,648	771,994	446,376	280,208	281,467	320,478	255,918
191,069	153,096	126,538	100,820	90,624	86,445	75,647
49,103	41,012	35,065	27,346	24,736	21,962	18,807
90,563	68,292	53,699	42,438	34,008	30,172	28,953
1,200,383	1,034,394	661,678	450,812	430,835	459,057	379,325
214,602	139,443	109,279	107,374	91,599	61,889	60,026
102,900	68,900	52,500	49,700	46,300	32,900	30,500
111,702	70,543	56,779	57,674	45,299	28,989	29,526
47,000	26,000	21,000	24,200	17,000	9,100	11,800
64,702	44,543	35,779	33,474	28,299	19,889	17,726
27,641	21,322	17,888	16,368	14,175	12,963	10,800
37,061	23,221	17,891	17,106	14,124	6,926	6,926
1,676	1,455	1,564	1,458	1,459	1,533	1,607
30,000	8,000	12,000	23,000	25,000	—	—
68,737	32,676	31,455	41,564	40,583	8,459	8,533
67,844	31,000	30,000	40,000	39,125	7,000	7,000
$ 893	$ 1,676	$ 1,455	$ 1,564	$ 1,458	$ 1,459	$ 1,533
$ *3.01	$ *2.00	$ *1.68	$ *1.71	$ *1.34	$ *.875	$ *.984
$ *.745	$ *.605	$ *.530	$ *.485	$ *.420	$ *.390	$ *.360
*37,076,958	*35,141,858	*33,750,000	*33,750,000	*33,750,000	*33,147,784	*30,000,000
16,510	16,893	16,860	17,016	17,693	19,412	17,178
1,004	982	957	933	897	871	833
18,454	17,323	16,368	15,287	14,215	13,948	13,388

The Bank of Nova Scotia Ten Year Statistical Review ($000's)

Statement of Assets and Liabilities

	1978	1977	1976
Assets			
Cash resources	$ 7,930,378	$ 5,534,888	$ 4,421,579
Securities	2,594,309	1,944,841	1,537,163
Loans	15,648,478	13,554,462	11,158,529
Bank premises (net)	188,743	132,879	111,453
Other assets	1,324,806	1,192,177	952,323
Total	$ 27,686,714	$22,359,247	$18,181,047
Liabilities			
Deposits	$ 25,332,611	$20,219,611	$16,366,085
Sundry liabilities	1,186,230	1,106,980	916,345
Accumulated appropriations for losses	191,824	159,801	126,712
Debentures	204,641	191,730	165,850
Shareholders' equity	771,408	681,125	606,055
Total	$ 27,686,714	$22,359,247	$18,181,047

Statement of Accumulated Appropriations for Losses

	1978	1977	1976
Balance at beginning of year	$ 159,801	$ 126,712	$ 108,801
Additions (deductions) during year:			
Current year's appropriations	63,000	54,000	48,000
Losses on loans under (over) 5 year average	10,966	266	(10,213)
Profits and losses on securities	(9,269)	12,948	6,851
Other profits and losses (net)	1,126	(3,325)	(8,327)
Provision for income taxes	5,200	2,200	2,600
Transfer to undivided profits	(39,000)	(33,000)	(21,000)
Balance at end of year	$ 191,824	$ 159,801	$ 126,712
General appropriations	75,002	63,855	44,519
Tax paid appropriations	116,822	95,946	82,193
Total	$ 191,824	$ 159,801	$ 126,712

Statement of Rest Account

	1978	1977	1976
Balance at beginning of year	$ 639,000	$ 564,000	$ 437,000
Premium on new shares offered	—	—	70,125
Transferred from undivided profits and tax paid reserves	90,000	75,000	56,875
Balance at end of year	$ 729,000	$ 639,000	$ 564,000

Note: For presentation purposes, certain statutory descriptions have been abbreviated.

1975	1974	1973	1972	1971	1970	1969
$ 3,476,946	$ 3,257,625	$ 2,846,130	$1,886,654	$1,291,408	$1,270,360	$1,151,679
1,381,181	1,370,772	1,031,913	1,077,295	1,016,914	848,741	732,117
9,973,592	7,968,152	5,908,304	5,121,909	4,430,070	3,956,154	3,811,753
95,291	88,412	70,149	64,610	61,169	56,143	50,765
1,078,988	777,515	471,133	391,352	285,651	238,067	197,859
$16,005,998	$13,462,476	$10,327,629	$8,541,820	$7,085,212	$6,369,465	$5,944,173

$14,187,759	$12,112,940	$9,360,149	$7,718,596	$6,433,346	$5,864,009	$5,495,214
1,067,255	732,727	433,696	348,945	266,687	189,799	179,850
108,801	96,030	95,158	94,615	94,971	89,573	85,576
167,165	117,568	118,421	89,350	40,000	15,000	15,000
475,018	403,211	320,205	290,314	250,208	211,084	168,533
$16,005,998	$13,462,476	$10,327,629	$8,541,820	$7,085,212	$6,369,465	$5,944,173

$ 96,030	$ 95,158	$ 94,615	$ 94,971	$ 89,573	$ 85,576	$ 79,761
47,000	26,000	21,000	24,200	17,000	9,100	11,800
(15,077)	(1,321)	(336)	(834)	(3,600)	(1,087)	1,832
6,666	(16,107)	(8,150)	(629)	17,106	(5,507)	(7,884)
982	700	629	7	(108)	1,491	67
3,200	(400)	(600)	(100)	—	—	—
(30,000)	(8,000)	(12,000)	(23,000)	(25,000)	—	—
$ 108,801	$ 96,030	$ 95,158	$ 94,615	$ 94,971	$ 89,573	$ 85,576
39,384	42,268	60,069	69,115	72,138	66,247	67,588
69,417	53,762	35,089	25,500	22,833	23,326	17,988
$ 108,801	$ 96,030	$ 95,158	$ 94,615	$ 94,971	$ 89,573	$ 85,576

$ 364,693	$ 285,000	$ 255,000	$ 215,000	$ 175,875	$ 137,000	$ 130,000
4,463	48,693	—	—	—	31,875	—
67,844	31,000	30,000	40,000	39,125	7,000	7,000
$ 437,000	$ 364,693	$ 285,000	$ 255,000	$ 215,000	$ 175,875	$ 137,000

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Chairman of the Board and President, The Oshawa Group Limited

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Senior Partner, McInnes, Cooper and Robertson

Cyrus H. McLean, Vancouver
Former President and Chairman of the Board, British Columbia Telephone Company

John S. Proctor, LL.D., Toronto
Chairman, The General Accident Assurance Company of Canada

W. Harold Rea, C.M., LL.D., F.C.A., Toronto
Vice-President and Director, The Mutual Life Assurance Company of Canada

William H.C. Schwartz, Halifax
Chairman of the Board, W.H. Schwartz & Sons Ltd.

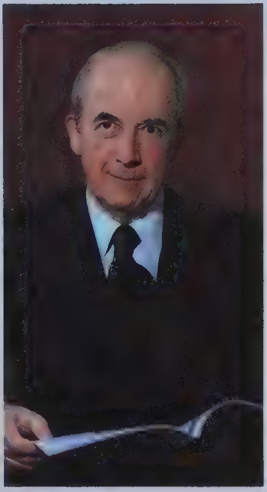
C. Gordon Smith, LL.D., Winnipeg
Retired

Charles N. Wilson, Saint John, N.B.
President, The Standard Dredging Co. Limited

C.E. Ritchie,
Chairman of the Board,
President and
Chief Executive Officer

J.A.G. Bell,
Executive Vice-President and
Chief General Manager

A.H. Crockett,
Deputy Chairman of the Board



G.C. Hitchman,
Deputy Chairman of the Board

R.M. MacIntosh,
Executive Vice-President

W.S. McDonald,
Executive Vice-President

Corporate Administration

General Managers
P.A.Anker
D.M.Bell
B.R.Birmingham
J.F.M.Crean
P.S.Dodd
B.A.Ennis
L.L.Fox
R.G.Gage
C.F.Gill
F.M.Goddard
R.R.Holmes
B.J.Hurst
J.S.Keith
D.King
W.B.Lawson
M.N.Logan
A.MacLean
J.O.McCabe
R.E.Peel
W.P.Penney
R.H.Plett
L.R.Woolsey
H.R.Younker

Administration
B.J.Hurst, *General Manager*
J.G.Nixon, *Asst.General Manager*
A.D.Mildon, *Supervisor, General Office Operations*
A.W.Norris, *Supervisor, Branch Operations*
H.A. Regnitter, *Supervisor, Branch Operations*
G.I.Rattray, *Supervisor, Complement Administration*

The Bank of Nova Scotia Pension Fund
F.D.I. Bray, *Secretary*

Canadian Commercial Banking
D.M.Bell, *General Manager*
R.G.Gage, *General Manager*
C.F.Gill, *General Manager*
A.MacLean, *General Manager*
J.O.McCabe, *General Manager*
R.H.Plett, *General Manager*
R.N.Benson, *Asst.General Manager*
F.H.Burtt, *Asst.General Manager*
L.D.Hubley, *Asst.General Manager*
J.G.McArdle, *Asst.General Manager*
B.W.Morin, *Asst.General Manager*
J.S.Roberts, *Asst.General Manager*
C.B.Spencer, *Asst.General Manager*
R.B.Wilson, *Asst.General Manager*
G.M.Burton, *Supervisor*
L.L.Cannon (Miss), *Supervisor*
D.B.Davies, *Supervisor*
W.R.Donnachie, *Supervisor*
G.M.Hebert, *Supervisor*
A.V.Henderson, *Supervisor*
R.E.Howard, *Supervisor*
R.C. Kensett, *Supervisor*
R.S.MacKenzie, *Supervisor*
P.A.Rice, *Supervisor*
D.W.Ritcey, *Supervisor*
G.C.Roy, *Supervisor*
D.A.Smith, *Supervisor*
J.E.Swinimer, *Supervisor*
D.S.Teslyk, *Supervisor*
G.R.Turner, *Supervisor*
W.J.Wedel, *Supervisor*

Canadian Corporate Banking
B.R.Birmingham, *General Manager*
R.E.Waugh, *Asst.General Manager*
L.B.Wellner, *Asst.General Manager*
R.H.Brackstone, *Supervisor*
J.H.Strong, *Supervisor*

Cash Loss Control
N.G.Scott, *Supervisor*

Chargex
W.B.Lawson, *General Manager*
D.F.MacDonald, *Asst.General Manager*
R.A.Cameron, *Supervisor*
M.A.Coughlan, *Supervisor*
W.B.Haig, *Supervisor*
M.H.Hallin, *Supervisor*
D.A.Lee, *Supervisor*
R.T.Robida, *Supervisor*

Chief Accountant/Comptroller
R.L.Brooks, *Comptroller & Chief Accountant*
R.H.Birkett, *Deputy Chief Accountant*
B.G.Hill, *Asst.Chief Accountant*
M.S.Ramsay, *Asst.Chief Accountant*
G.E.Hare, *Deputy Comptroller*
P.A.Jordan, *Deputy Comptroller*
W.L.Anderson, *Asst.Comptroller*
D.V.Bell, *Asst.Comptroller*
I.R.Clarke, *Asst.Comptroller*
D.C.B.Harrison, *Asst.Comptroller*

Chief Audit Officers
T.A.Drummond
J.S.Humphreys
D.H.Mood, *Asst.Chief Auditor*

Commercial Banking Services
W.F.Ellis, *Asst.General Manager*
J.D.Robson, *Asst.General Manager*
R.B.S.Swinden, *Director*
N.J.Bull, *Supervisor*
B.D.Hyde, *Supervisor*
J.M.Whelpley, *Supervisor*

Consumer Credit
W.B.Lawson, *General Manager*
R.J.Pue, *Asst.General Manager*
R.R.C.Boulter, *Supervisor*
H.E.Hames, *Supervisor*
H.M.Kinsman, *Supervisor*
J.P.Lago, *Supervisor*
C.J.MacDonald, *Supervisor*
L.E.Maudsley, Supervisor

Economic Adviser
F.L.Rogers
P.Lewis, *Asst.*

Economics
M.M.Fisher (Miss), *Administrator*

Executive Assistants to the President
R.P.Gerad
R.M.Taylor

General Counsel
A.B.Creaghan

Government Relations
C.M.U.Craddock (Mrs.), *Manager*

Indian and Inuit Financial Service
D.A.Atlee, *Supervisor*

Inspection
D.R.MacFarlane, *Chief Inspector*
J.D.Koehler, *Deputy Chief Inspector*
J.F.Welland, *Deputy Chief Inspector*
R.C.Black, *Asst.Chief Inspector*
C.Y.B.Ching, *Asst.Chief Inspector*

Investments
R.R.Holmes, *General Manager*
M.B.MacDiarmid, *Director*
G.R.Watson, *Director*
J.F.Chamberlain, *Supervisor*
D.F.Cooper, *Supervisor*

Loan Administration
W.P.Penney, *General Manager*
R.M.Brown, *Deputy General Manager*
V.E.Fawcett, *Senior Loan Auditor*
D.A.A.Kingston, *Senior Loan Auditor*
D.E.F.Marlatt, *Senior Loan Auditor*
W.B.MacMillan, *Senior Loan Auditor*
R.G.Greer, *Administrator*
F.P.Slocum, *Administrator*

Management Development & Training
A.J.Bates, *Administrator*
J.W.Chisholm, *Director*
E.F.Forcey, *Director*
P.T.Johnson, *Director*
L.A.Shaw, *Director*
A.C.Giles, *Supervisor*

Marketing
L.R.Woolsey, *General Manager*
L.J.Chudy, *Director of Public & Corporate Affairs*
R.A.Abrahamson, *Supervisor*
G.C.Alexander, *Supervisor*
R.O.Petersen, *Supervisor*
P.H.MacLeod (Mrs.), *Public Relations Officer*

Mortgages
A.C.MacLellan, *Asst.General Manager*
E.W.Laffin, *Supervisor*
P.J.Moar, *Supervisor*
E.C.Oatt, *Supervisor*
D.L.Stevenson, *Supervisor*

Personal Banking & Operations Canadian Regions
M.N.Logan, *General Manager*
P.G.Caldwell, *Supervisor*
P.N.Dabbikeh, *Administrator*
P.H.Williams, *Administrator*

Personnel
F.M.Goddard, *General Manager*
W.J.Lomax, *Director*
D.W.Whitaker, *Director*
D.F.Ablett, *Supervisor*
L.D.Binder (Miss), *Supervisor*
J.C.Lee, *Supervisor*
J.B.Macdonald, *Supervisor*
R.S.Page, *Supervisor*
W.R.Russell, *Supervisor*
G.E.Titus, *Supervisor*

Protection & Investigation
C.Angus, *Chief*

Purchasing
M.E.Gale, *Manager*

Real Estate
P.A.Anker, *General Manager*
A.J.Mott, *Director*
D.J.Schweitzer, *Director*
J.B.Kay, *Senior Development Project Manager*
G.M.Redpath, *Chief Architect*
H.Sagara, *Administrator*
J.E.McFadyen, *Administrator*

Scotiaction
B.E.J.Poirier, *Director*

Scotia Auto Financing
R.R.Langlois, *Director*
J.P.Sweeney, *Administrator*

Scotia Farm Services
G.E.Chamberlain, *Director*
P.J.Killoran, *Asst.Director*

Secretary
W.H.Milne
L.M.Boyd (Mrs.), *Asst.*

Subsidiary Companies Administration
R.P.Gerad, *Executive Assistant to the President*
C.D.Bourns, *Administrator, Domestic*
R.R.Peck, *Supervisor, International*

Systems
J.F.M.Crean, *General Manager*
L.H.Chapman, *Director*
R.S.M.MacNeish, *Director*
D.G.McLean, *Director*
R.E.Sorenson, *Director*
B.A.Daniels, *Supervisor*
M.J.Duke, *Supervisor*
A.B.J.Farkas, *Supervisor*
R.E.Gough, *Supervisor*
L.Liffman, *Supervisor*
D.J.Marcotte, *Supervisor*
T.F.Mendes, *Supervisor*
W.N.Serba, *Supervisor*
B.F.Stevenson, *Supervisor*
P.W.Weingarten, *Supervisor*
A.E.Wheeler, *Supervisor*
K.E.Whitherspoon, *Supervisor*

Task Force on Branch Banking
H.K.Sinclair (Miss), *Supervisor*

Taxation
A.B.McKie, *Director*
R.W.Kowalchuk, *Deputy Director*
M.A.Broekstra, *Supervisor*
J.W.MacArthur, *Supervisor*
W.V.McNally, *Supervisor*

Regional and Branch Offices

W.P.Meinig, *Vice-President & General Manager, Canadian Regions*

NEWFOUNDLAND

291-293 Water Street, St.John's

C.Bartlett, *Vice-President & General Manager*

J.L.Penney, *Supervisor*
G.A.Bradbury, *Supervisor*

Branch / Manager
Arnold's Cove / E.J.Dalton (Miss)
Baie Verte / J.T.Furey
Bay Roberts / C.J.Gillingham
Beaver Plaza / Sub.to Bay Roberts
Bonavista / M.H.Gosse
Burgeo / W.R.Vardy
Burin / D.F.Crews
Carbonear / J.B.Monster
Catalina / H.B.Maidment
Channel-Port Aux Basques / N.Inkpen
Churchill Falls / N.G.Green
Clarenville / R.R.C.Quinn
Clarke's Beach / L.Williams
Corner Brook Broadway / F.A.Douglas
  Corner Brook Plaza / L.G.Forsey
Dark Cove, Bonavista Bay / J.A.Welsh
Flower's Cove / H.G.Sparkes
Fogo / W.E.Sheppard
Fortune / R.E.Janes
Gander / S.J. Mayo
Glovertown / S.V.Butt
Goulds / O.W.C.Taylor
Grand Bank / R.M.Hepditch
Grand Bay / Sub.to Channel-Port Aux Basques
Grand Falls / M.P. Murphy
Happy Valley, Labrador / C.G.Sanderson
Harbour Grace / B.Oldford
Labrador Mall, Labrador City / N.J.Eady
La Scie / Sub.to Baie Verte
Lewisporte / J.L.Greene
Long Pond, Manuals / J.M.Rendell
Marystown / J.Crane
Mount Pearl Shopping Centre / J.B.Thistle
Old Perlican / W.J.Noseworthy
Port de Grave / Sub.to Bay Roberts
Ramea / Sub.to Burgeo
Roberts Arm / Sub.to Springdale
St.Anthony / W.G.Martin
St.John's Data Centre / G.E.Holmes
St. John's, 291-293 Water Street / H.K.Snow
  Avalon Mall Shopping Centre / J.A.Batterton
  Churchill Park / E.J.Baker
  Cornwall & Hamilton / C.Pink
  Duckworth & Cochrane / M.J.Parsons (Miss)
  Elizabeth Avenue East / C.B.Gosse
  Freshwater & Parade / G.A.Holwell
  Topsail Road / D.Newhook
  Virginia Park Plaza / A.P.Tobin
  Water Street East / R.S.Dwyer
St.Lawrence / B.A. Nash
Springdale / L.C.Bonnell
Stephenville / K.W.Parsons
Summerford, New World Island / Sub.to Twillingate
Trepassey / N.W.Hillier
Twillingate / C.W.Herridge
Upper Island Cove / Sub.to Harbour Grace
Wabana / H.W.Cooper
Wesleyville / W.G.Lidstone
Whitbourne / H.K.Follett

NOVA SCOTIA

1709 Hollis Street, Halifax, Nova Scotia

R.C.McLeod, *Vice-President & General Manager*

J.E.Mitchell, *District Manager–Western District*

W.E.Wood, *District Manager–Southern District*

Y.G.Morse, *District Manager–North & Eastern District*

J.P.Morse, *District Manager–Halifax Branch*

Branch / Manager
Amherst / W.D.Morrison
  Cumberland Mall / D.G.Cormier (Miss)
Annapolis Royal / T.I.Betts
Antigonish / L.J.Palmer
Aylesford / R.N.Roop
Bedford / L.A.Cameron
Bedford Place / P.M.deGrosbois
Bridgetown / J.A.Steele
Bridgewater / C.A.McIver
  Bridgewater Mall / E.W.Young
Caledonia / W.R.Ripley
Canning / M.R.Lowe
Chester / W.E.Luther
Dartmouth / R.W.MacDonald
  Bridge Branch / R.W.Whiting
  Dartmouth Professional Centre / R.W.Jeffery
  Mic Mac Mall / F.A.MacDonald
  Woodlawn-Westphal / P.T.Fletcher
Digby / R.A.Dorey
Freeport / G.E.Dondale
Glace Bay / C.V.White
Halifax Data Centre / W.D.Hill
Halifax, 1709 Hollis St. / J.P.Morse
  Atlantic International Department / L.R.Wright
  Coburg & Robie / D.M.Murray
  Fairview / W.D.Pickering
  Halifax Professional Centre / J.D.MacDonald
  Maritime Centre / W.H.Murphy
  North & Agricola / J.E.Quinn
  North West Arm / B.E.Trask
  Nova Scotian Hotel / R.A.Swan
  Quinpool Road / W.F.MacDonald
  Scotia Square / F.D.A.Sabean
  Spring Garden & Brenton / L.D.Rhyno
Hantsport / M.L.Steeves
Hubbards / C.S.Woods
Ingonish Beach / G.C.Huskins
Kennetcook / D.E.Hudson
Kentville / A.W.Stewart
Liverpool / S.M.Macdonald
Meteghan / C.Jacobs
Middleton / J.E.Weare
New Glasgow, 102 Provost St. / R.A.Hennigar
  Aberdeen Mall / J.R.Featherby
  West Side Shopping Centre / G.C.Whitman
New Minas / F.S.Boone
New Waterford / G.F.Williams
North Sydney / E.White
Oxford / J.A.Fraser
Pictou / R.L.Marshall
Port Hawkesbury / G.W.Piercy
Pugwash / B.K.Lenihan
River Hebert / B.A.Jamieson
River John / R.H.Raper
Sackville / R.T.Poole
Sheet Harbour / A.W.Beal
Stellarton / L.E.Brown
Sydney / T.M.Smith
  Sydney Shopping Centre / K.T.Haley
Sydney Mines / D.G.MacGregor
Tatamagouche / C.A.Earle
Trenton / L.J.Hurst
Truro / P.J.Lord
  Truro Centre / K.F.Rogers
  West End / R.P.Flinn
Westport / Sub.to Freeport
Westville / G.C.MacDonald
Windsor / D.L.Sullivan
Yarmouth / D.A.MacKenzie

NEW BRUNSWICK AND PRINCE EDWARD ISLAND
One Brunswick Square, Saint John, N.B.

G.M.Morrell, *Vice-President & General Manager*
R.M.Haynes, *Supervisor*
K.M.Winsor, *Supervisor*

Prince Edward Island
Branch/Manager
Albany/J.P.Gardner
Charlottetown/A.F.Ryan
Crapaud/J.D.Crilley
Kensington/R.G.Kirkpatrick
Montague/M.G.Patterson
Morell/B.E.Griffin
O'Leary/J.G.Lord
Sherwood/P.W.McEachern
Summerside/D.A.Bennett
Summerside Mall/G.B.Soy

New Brunswick
Branch/Manager
Albert/W.C.Adams
Bath/C.O.Tower
Bathurst/R.B.Chadwick
Black's Harbour/N.E.Chase
Campbellton/J.E.Hooper
Chatham/K.J.Langille
Chipman/F.T.O'Brien
Doaktown/R.G.Orr
Edmundston/J.R.Daigle
Florenceville/R.M.Gorman
Fredericton/G.J.R.Fournier
Devon Park Shopping Centre/R.A.Alward
King's Place/R.L.Dixon
Smythe & Dundonald St./E.J.Salterio
Gagetown/D.L.Greene
Grand Bay/J.D.Bennett
Grand Falls/F.J.Goguen
Grand Manan/W.J.Young
Hampton/W.G.Chisholm
Havelock/N.C.Keith (Miss)
Hillsborough/R.H.Fleet
Jacquet River/H.G.Murray
McAdam/D.D.McKillop
Minto/H.T.Greenough
Moncton, 760 Main St./L.W.Riley
323 St. George St./R.G.Burgess
C.N. Hotel Service Centre/Sub. to Moncton
Mountain Rd. & Winnipeg St./D.F.Sarty
Nackawic/D.M.Gosse
Nashwaaksis/A.W.Lynch
Newcastle/D.C.Rogers
Oromocto/R.A.Gray
Perth-Andover/F.L.M.Chisholm
Petitcodiac/F.L.Nelson
Point Lepreau/Sub. to Saint John
Port Elgin/W.R.Doncaster
Rothesay/R.E.Roberts
Sackville/W.B.Devereaux
Saint John Data Centre/I.H.Kidd
Saint John, 119-125 Prince William St./E.E.Hierlihy
Charlotte Street/R.A.Richardson
Haymarket Square/J.W.Culliton
Lancaster/E.S.Whiteway
North End/C.B.McMackin
Westmoreland & McAllister/D.H.MacPhee
West Saint John/W.F.Campbell
St. Andrews/R.P.Bishop
St. George/A.G.Butler
St. Stephen/E.E.Caldwell
Shippegan/J.B.Poirier
Sussex/J.R.Denereaux
Tracadie/J.I.Robichaud
Wilson's Beach, Campobello Island/I.J.Firlotte
Woodstock/E.J.Phinney

QUEBEC
715 Victoria Square, Montreal

A.Bisson, *Vice-President & General Manager*
J.B.McCaig, *Asst. General Manager*
J.H.MacEwen, *Asst. General Manager*
J.A.Carbonneau, *Supervisor*
R.L.Hayday, *Supervisor*
F.Montpellier, *Supervisor*
J.P.Normandin, *Supervisor*
E.A.Roussy, *Supervisor*
E.P.Saulnier, *Supervisor*

Branch/Manager
Alma/M.R.Jean
Amos/G.S.Levesque
Beauport/J.E.M.Pelletier
Bonaventure/P.D.Gagnon
Boucherville/P.Cousineau
Brossard/M.R.Arsenault (Miss)
Brownsburg/R.Bourgon
Buckingham/D.Doré
Campbell's Bay/E.P.Herault
Chicoutimi/G.Forget
Drummondville/A.O.Massé
Fort Coulonge/J.P.G.Ringuette
Gatineau/R.J.L.Pellerin
Granby/J.F.M.Renaud
Grenville/J.A.Hocquard
Hauterive/M.R.Baril
Hull:
61 Main St./R.C.Marion
Galeries Hull/M.C.Osborne
Les Terrasses de la Chaudière/F.A.Plouffe
Jonquiere/A.Jean
Kirkland/R.Poulin
Lachine/A.Turcotte
Lachute/J.E.Begbie
La Salle:
9166 Airlie Blvd./R.A.Ward
Le Cavalier Shopping Centre/J.C.Pilon
Laval:
Centre Laval (Chomedey)/J.Bisson
3019 Concorde Blvd. (Duvernay)/G.Des Ruisseaux
Terrasses Fabreville/C.Raymond
Levis/D.A.H.Huard
Longueuil/J.R.Tremblay
Maniwaki/A.S.Villeneuve
Montreal Data Centre/R.Giroux
Montreal:
St.James & Victoria Square/E.Calafatis
Côte des Neiges & Appleton/P.T.Moore
Côte des Neiges & Queen Mary/J.G.Théorêt
Côte St.Luc & Westminster/J.Andrews
Décarie & Ferrier/J.E.G.Gallant
Décarie & Isabella/F.Hocquard
Dorchester & University/M.Hartman
Lagauchetière & Mansfield/E.R.Lauzon
Laurentien & Gouin/J.P.Jobin
Louvain & Meilleur/R.Garneau
Masson & 4th Ave./G.A.Castonguay
Mont Royal & St.Urbain/H.E.Richardson
Park & Fairmount/R.B.Williams
Ste-Catherine & Peel/W.Beauchamp
505 Ste-Catherine St.W./J.G.A.Drew
St-Laurent & Jean Talon/G.Latour
St-Laurent & Louvain/F.G.McCoy
St-Laurent & Ontario/A.J.Mancini
St.Lawrence & Prince Arthur/E.A.Galichewsky
7740 St-Michel Blvd./J.C.R.Sauvageau
St.Viateur & Casgrain/K.W.Wendt
Sherbrooke & Guy/C.Lemaire
Sherbrooke & Harvard/D.B.Hall
Sherbrooke & Union/J.K.Harris
2020 University St./F.G.Gagnon
Van Horne & Victoria/I.C.MacDonell
Murdochville/J.P.Babin
New Carlisle/P.J.L.Delisle
New Richmond/F.B.Bertrand
Paspebiac/J.H.Vignet
Pointe Claire/L.R.Drouin
Port Daniel Station/W.A.G.Sullivan
Portneuf/M.Marcotte (Miss)
Quebec:
2 Place Québec/J.V.Roy
1279 Charest Blvd.W. (St-Malo)/R.Côté
124 St-Pierre St./J.L.Assels (Miss)
395 Charest Blvd.E. (St-Roch)/G.Giroux
Rock Forest/R.F.Boyer
Rosemère/J.Savard
St-André Est/Sub-branch Lachute
Ste-Foy:
Place Ste-Foy/R.P.Boucher
Place des Quatre Bourgeois/R.Gratton
St-Georges, Beauce/G.Beaudoin
St-Jérôme/D.Gauthier
St-Laurent:
Côte de Liesse & Graveline/R.P.Gauthier
Laurentien & de L'Eglise/R.L.D.Labelle
St-Léonard:
4663 Des Grandes Prairies Blvd./S.Talon (Acting Manager)
Plaza Langelier Val Marie/S.J.J.Martel
Ste-Marie de Beauce/J.R.J.Turmel
St-Raymond/M.A.Moore
Ste-Thérèse/R.E.Pigeon
Sept-Iles/P.J.A. Palmieri
Sherbrooke/J.R.R.St-Louis
Town of Mount Royal/D.P.Harvey
Tracy/R.J.C.Ouellet
Trois-Rivières/J.M.R.L'Ecuyer
Valleyfield/P.A.Boulais
Verdun/J.J.Gaulin
Victoriaville/C.R.Paquette
Westmount:
Ste-Catherine & Atwater/D.L.Dorey
Sherbrooke & Greene/G.C.Dalzell

ONTARIO
Metropolitan Toronto
44 King Street West, Toronto M5H 1E2

J.F.McRae, *Vice-President & General Manager, Central*

G.E.Marshall, *Vice-President & General Manager, Suburban*
W.E.Bailey, *Director, Administration—Toronto Regions*
G.W.Van Dyk, *Asst. General Manager & Director, Real Estate Credit*
E.D.MacNevin, *Asst. General Manager & Manager, Toronto Branch*
P.A.Enman, *Asst. General Manager & Director, Commercial Credit*
A.W.Jeffery, *Asst. General Manager and Director, Commercial Credit*

District Managers
W.D.Armstrong
A.G.Blake
L.E.Laycock
F.A.Maguire
E.Ranft
E.A.J.Ward
H.W.Wylie

Western & Northern Ontario
44 King Street West, Toronto M5H 1E2

L.A.Thurston, *Vice-President & General Manager*
P.L.Kinsman, *Director, Commercial Credit*
J.L.Walters, *Director, Administrative Services*

District Managers
W.T.Cockwell
C.N.Dreidger
B.E.Falle
C.H.Mallard
J.W.Samson
R.G.Taylor

Eastern Ontario
350 Sparks Street, Ottawa

W.H.McMillan, *Vice-President & General Manager*

District Managers
L.B.Babcook
R.S.Robinson
R.T.Williams

Branch/Manager
Acton, Halton Hills/R.R.Devlin
Ajax/K.J.Van Riesen
Alexandria/F.R.Cloutier
Alliston/J.H.Fudge
Angus/P.L.Stephens
Apple Hill/Sub.to Maxville
Arnprior/G.A.MacMillan
Aurora/J.E.G.Smith
Avonmore/H.Veenstra
Azilda/D.B.Lauzon
Bancroft/L.B.Clark
Barrie/M.J.O'Brien
Allandale Centre/G.B.Zolob
Georgian Mall/R.J.Vickery
Beachburg/J.R.Rayner
Belleville/A.M.Jamieson
Quinte Mall/G.C.O'Byrne
Bells Corners/P.C.Dolan
Belmont/B.F.Servos
Blind River/J.A.Goehring
Bolton, Hilltop Plaza/D.A.Shoemaker
Bracebridge/J.J.Hallworth
Bradford/P.D.Monkhouse
Bramalea, 36 Avondale Blvd./H.R.G.Janes
Bramalea City Centre/C.J.A.Van de Ven
Southgate Shopping Centre/C.M.Murchison
Brampton/A.S.Foti
Peel Village Square/A.J.Boyd
Queen & Hansen/A.J.Fisher
Brantford/R.M.B.Johnston
King George Rd. & Norman Ave./R.R.Nash
Brigden/D.A.A.Post
Bright's Grove/P.R.Cook
Brockville/B.D.Gilmer
Parkdale & Stewart/H.R.Stassov
Burlington/R.W.Bassett
New Street & Walker's Line/G.R.Denstedt
Skyway Plaza, Burlington/A.P.Price
Caledonia/M.J.Breakspear
Cambridge/J.P.Readman
Christopher & Champlain/R.D.Crump
Highway 24 & Lang's Drive/J.G.Wasyliw
753 King Street/B.W.Devlin
Campbellville/Sub.to Milton
Carleton Place/B.O.Latourell
Carp/R.M.Smith
Chalk River/Sub.to Deep River
Chatham/G.W.Schultz
Queen & Eugenie/W.P.Debokx
Chelmsford/A.D.Lapierre
Chesterville/J.T.Mains
Clarkson/See Mississauga
Cobden/W.W.Welsh
Cobourg/J.M.Lawlor
Cochrane/R.D.J.Massicotte
Collingwood/D.L.Henderson
Concord, Hwy.7 & Keele St./M.B.Groves
Consecon/Sub.to Trenton
Cornwall, 14 Second St.West/E.J.Leblanc
Brookdale Shopping Plaza/D.R.Dillabough
Deep River/B.H.Loucks
Dorchester/D.C.Pettit
Dorset/Sub.to Huntsville
Dowling/Sub.to Chelmsford
Dundas, University Plaza/L.G.Punchard
Earlton/J.A.Reid
Elliot Lake/R.L.Lafreniere
Exeter/J.A.Laithwaite
Fergus/C.L.Slipp
Fort Erie/D.L.Dundas
Georgetown, Halton Hills/R.C.McQuaig
Glen Robertson/Sub.to Alexandria
Goderich/P.M.Shephard
Gravenhurst/W.J.Herrington
Guelph/R.P.DiCola
Speedvale Ave.& Stevenson St./R.B.Vrooman
Haileybury/C.E.Hancock
Hamilton:
12-14 King St.East/G.W.Laliberte
James & Burlington/R.A.Adamo
James & Fennell/H.D.McKillop
King St.& Sherman Ave./R.C.MacDermaid
Main & Broadway/P.D.Martin (Mrs.)
Main & Kenilworth/J.MacKay
Ottawa & Barton/E.L.Belanger
Parkdale Branch/W.J.Sendall
Queenston & Nash Roads/D.G.Brims
Upper Ottawa & Fennel/D.M.Lister
Upper Wellington & Mohawk/W.J.Ogden
Hanover/W.G.Hahn
Hawkesbury/A.A.Dagenais
Hearst/R.J.G.Gervais
Huntsville/A.R.Adam
Jarvis/W.D.Robertson
Kanata/B.H.Barrett
Kapuskasing/L.C.Martel
Kemptville/L.E.Bildson
Kenmore/Sub.to Russell
Kingston:
165-167 Wellington St./B.A.Cosman
523 Gardiners Road/R.H.Pomeroy
West End/J.E.Rising
Kitchener:
54-68 King St.West/M.G.Uniac
Courtland & Shelley/D.A.Abrams
King & Sheldon/W.A.Atkinson
Krug and Sherwood/J.A.McGee
Lanark/R.G.Saunders
Leamington/J.M.Nicholson
Lindsay/R.M.Armstrong
Linwood/W.S.Gray
London:
420-424 Richmond St./L.K.Lynch
Dundas & Lyle/H.W.Metcalfe
Dundas & Paterson/G.J.Rich
Hamilton Road & Highbury Ave./R.J.MacIntosh
Huron Street & Highbury Ave./H.J.Sirna
Richmond & Oxford/D.D.Grant
Southcrest Shopping Centre/C.P.Perez (Mrs.)
Westown Plaza/D.M.Flinn
Markham/W.C.Lapthorne
Denison Street and Woodbine/J.M.O'Hara
Martintown/R.G.Lunn
Mattawa/L.M.Roberge
Maxville/D.B.Symons
Maynooth/Sub.to Bancroft
Midland/M.W.Matz
Milton/L.T.Gauthier
Milverton/D.J.Heit
Mimico/See Metropolitan Toronto
Mississauga:
Applewood Acres/D.A.MacLennan
Dixie and Bloor/G.F.McKeown
Dixie & Britannia/W.J.Abbott
5200 Dixie Road/N.F.Prout
Dundas & Little John Lane/R.A.Grant
Dundas Street E.& Wharton Way/R.A.P.Martins
165 Dundas Street West/D.W.Carr
1791 Lakeshore Road West (Clarkson)/S.Barnes (Mrs.)
Malton Branch/C.L.Hunt
Meadowvale South/G.N.Keep
Sheridan Mall (Clarkson)/R.L.Neate
Torbram & Kimbel (Malton)/P.M.Davies
Westwood Mall/J.M.Verdone
Moonbeam/Sub.to Kapuskasing
Morewood/Sub.to Chesterville
Morrisburg/N.R.Lee
Mount Dennis/See Metropolitan Toronto
New Liskeard/W.R.Dunnell
Newmarket/R.T.Eady
Niagara Falls/R.C.Cattanach
Thorold Stone & Portage/D.M.Poole
North Augusta/L.A.Lamer
North Bay/R.G.Sharer
Fisher & Northgate/G.G.Allaire
Nipissing Plaza/H.L.Bridges
Oak Ridges/A.E.Crawford
Oakville/C.C.Thompson
Iroquois Shore Rd.& 8th Line/E.A.W.Vopel
Speers & Dorval/B.J.Fobert
Third Line & Speers Road/R.T.Craddock
Orangeville/T.G.Murray
Orleans/M.N.Clement
Orillia, 56 Mississauga St./F.J.Weaver
Osgoode/L.B.Čobus
Oshawa/G.J.Montgomery
King & Drew Streets/D.Hull
Midtown Mall, 200 John St.W./R.W.Woods
Ottawa Data Centre/R.H.Bowman
Ottawa:
125-131 Sparks St./K.E.Mitchell
Bank & Alta Vista Drive/S.P.Hunter
Bank & Fourth/D.C.Whyte
Bank & Gladstone/W.D.Ross
Bank & Gloucester/G.S.Smith
Barrhaven Mall/N.M.Smith (Mrs.)
Baseline & Pinecrest Rds./D.E.Osborne
Beacon Hill Shopping Centre/R.G.Gamble
Bronson & Holmwood/W.C.C.Silver
Carleton University/D.A.Bailey
Carling & Kirkwood/R.J.McIntosh
Carling & Parkdale/M.C.Ellies
Carling and Woodroffe/N.E.Matthew
City Hall/Sub.to Ottawa
City View/D.W.Boyce
Elgin & Frank/S.J.Forshaw
Merivale & Cleopatra/M.V.Langille
Metcalfe & Albert/E.W.Osborne
Ottawa East/J.P.Bedard
1145 Bank St.at Glen Ave., Ottawa South/W.G.Hutton
Paul Anka and McCarthy/D.E.Aucoin (Miss)
Place de Ville/D.R.Cork
Preston & Norman/R.J.Lahey
Rideau & William/D.E.Humble
Riverside Mall/D.F.Boyce
St.Laurent & Cyrville/T.Cunningham
Somerset & Bronson/H.W.Orr
Wellington & Rosemount/J.F.Lindsay
Westboro/W.K.Haley
Owen Sound/W.M.Davis
Parry Sound/D.M.Wilkins
Pembroke/K.J.Macdonald
Penetanguishene/F.Pluim
Perth/H.W.Stead
Peterborough/D.S.Dunster
Charlotte & Park Streets/D.Aikman
Westgate Plaza/D.L.Rogers
Petrolia/J.C.Fraser
Pickering, Sheridan Mall/D.R.Winningham
Picton/C.G.Phinney

Port Carling/M.J.Warwick
Port Colborne/C.C.Salmon
Port Credit/J.W.Adams
Port Dover/J.S.McIntyre
Port Elgin/D.H.La Rocque
Port Hope/D.M.Nevin
Port Severn/Sub.to Midland
Powassan/E.M.McDonald
Renfrew/C.W.Buell
Rexdale/See Metropolitan Toronto
Richmond/G.M.Goodfellow
Richmond Hill/C.R.Smith
Russell/R.H.Morin
St.Catharines/A.F.Van Der Kley
Brock University/Sub.to St.Catharines
Fairview Shopping Centre/V.B.Maxwell
K-Mart Shopping Centre/W.E.Walker
Merritton Branch/R.S.Murley
Niagara & Welland/J.B.Giesbrecht
St.Isidore de Prescott/G.R.Laroque
St.Jacobs/R.R.Malone
St.Thomas/D.C.Campbell
Sarnia,179 Christina Street/F.E.Hammill
Eastland Plaza/R.G.Lake
Northgate Shopping Centre/A.Brodie
Sault Ste.Marie,Station Mall/R.M.Biggs
500 Queen Street/P.Biello
Northern Ave.& Highway No.17/D.E.MacPherson
Simcoe/L.J.McCready
Smiths Falls/L.G.Follett
South Mountain/D.L.Boucher
South Porcupine/D.V.Smith
Spanish/I.Horncastle
Stoney Creek:
Barton & Greens Road/B.J.Sheahan
Stouffville/P.C.Roney
Stratford/W.Randerson
Strathroy/J.M.Suckling
Streetsville/H.F.Dove
Sudbury/N.J.Brackenbridge
Barrydowne Rd.& LaSalle Blvd./L.F.Brady
City Centre/R.J.Clitherow
Elm & Lansdowne/R.L.Lapierre
Lorne St.& Demorest Ave./E.D.Lefebvre
Sutton West/J.H.Lydford
Temagami/C.R.McDermott
Thornhill/F.A.Ney
Markham Place/D.H.Marchant
Tillsonburg/M.H.Burgess
Timmins/H.F.McShane
Corporate Data Centre/B.A.Daniels

Metropolitan Toronto:
44 King Street West/E.D.MacNevin; J.S.Tate,Deputy Mgr.
30 King Street West/Sub.to 44 King St.W.
Agincourt/W.G.Earle
Bonis & Birchmount/Sub.to Agincourt
Albion Rd.& Hwy.27 (Rexdale)/L.J.Regan
900 Albion Rd.(Rexdale)/Sub.to Rexdale
Applewood Acres/See Mississauga
Bathurst St.& Dewlane Drive (Willowdale)/L.R.Liscio
Bathurst & Dundas/A.A.Bell
392 Bay Street/A.B.Cummings
Bayview Village Centre (Willowdale)/L.E.Wales
Bloor & Church/M.W.Laidlaw
Bloor & Dixie/See Mississauga
Bloor & Jane/R.B.Bautista
Bloor & Keele/W.M.Seaman
Bloor & Salem/M.D.Goncalves
Bloor & St.Clarens/V.A.Masalas
Bloor & Spadina/D.A.Chinn
Bloor & Yonge/R.K.Lounsbury
130 Bloor Street West/W.R.Bryson
Broadview & Gerrard/A.F.Rodrigues
Brown's Line & Burlingame Rd./R.R.Fisher
Cedarbrae Plaza (Scarborough)/M.V.Chisholm
Cloverdale Mall/T.H.Barclay
College & Bathurst Sts./K.F.Grossen
College & Grace/C.W.Andrew
Constellation Hotel (Rexdale)/D.G.Hillier
Crescent Town,Victoria Park Ave./S.K.Dhawan
Danforth & Coxwell/E.A.Densmore
Danforth,at Danforth Road (Scarborough)/R.T.McNeil
Danforth & Greenwood/R.J.Senyshen
Danforth & Main/R.J.G.Lanthier
Danforth & Pape Avenues/E.E.Antler
Danforth & Woodbine/J.A.Gough
Don Mills/J.B.King
Dufferin St.& Castlefield Ave./J.D.McBroom
Dundas & Brock/R.P.Hawley
Dundas & Little John Lane/See Mississauga
Dundas & Pacific/C.D.Santogrosso
Dundas St.& Wharton Way/See Mississauga
165 Dundas St.West/See Mississauga
Eglinton & Bathurst/M.B.Thompson
Eglinton & Caledonia/F.R.Leavens
Eglinton & Castle Knock/G.A.King
Eglinton & Markham/K.T.Marsh
Eglinton & Midland (Scarborough)/W.J.Bryan
Eglinton & Mount Pleasant/M.S.G.Dougherty
Eglinton & Pharmacy (Scarborough)/D.G.Elliott
Finch & Dufferin/B.J.Clark
Flemingdon Park (Don Mills)/J.W.Roblin
Forest Hill Village/R.L.Dorland
Four Season's Sheraton Hotel/Sub.to 392 Bay St.
George Brown College (Casa Loma Campus)/Sub.to Bloor & Spadina
Gerrard & Woodbine/G.F.Manuge
Gervais Drive at Wynford (Don Mills)/P.G.Trotter
Harbour Square/C.F.Lindsey
Humbertown Centre/R.B.McCain
Islington Ave.& Advance Rd./R.S.Thompson
Jane & Annette/E.C.Wilson
Jane & Eddystone (Downsview)/G.A.McKeon
Jane St.& Trethewey Dr.(Weston)/R.Amyot
Jarvis & Charles/K.M.Cook (Mrs.)
Keele St.& Toro Rd.(Downsview)/J.D.Stephenson
Kennedy Road & Ellesmere (Scarborough)/T.P.Kealey
King & Springhurst/R.J.Huntley
King & Victoria/S.R.Baggett
Kingston Road & Bingham/G.C.W.Taylor
Kingston Road & Main/R.J.Patterson
Kingston Road & Midland,Cliffside Plaza (Scarborough)/F.W.Crawford
Kingston Road & St.Clair (Scarborough)/A.Lapell
Kingsway/L.Grinstead (Mrs.)
Lawrence & Bathurst/W.Sheremeta
Lawrence & Birchmount (Scarborough)/W.P.Bowman
Lawrence & Keele/D.G.Martin
Lawrence Ave.& Scarborough Golf Club Road (Scarborough)/W.G.Davison
Leaside/M.A.Candy
Malton/See Mississauga
Markham & Ellesmere (Scarborough)/J.D.Calpin
Markham & Lawrence (Scarborough)/M.L.Berton (Mrs.)
Mimico/J.F.Trumble
Mount Dennis/M.G.Elsdon
New Toronto/C.L.MacDowell
Oakwood Ave.& Vaughan Rd./D.A.MacKay
O.H.A.Building,150 Ferrand Drive (Don Mills)/Sub.to Flemingdon Park
Pape & Gowan/M.F.Taunt
Park Plaza Hotel/D.D.Getgood
Parliament & Gerrard/P.D.Lee
Prince Hotel (Don Mills)/E.R.Eves
Queen & Church/H.B.Forsey
Queen & Lansdowne Ave./R.Devries
Queen & McCaul Sts./A.L.MacDonald
Queen & Pape Ave./R.T.Davidson
Queen & River/J.W.Gaunce
Queen & Wineva/R.T.Inglis
Queensway & Atomic/N.J.Warren
Queensway & Smithfield/R.E.Vine
Rexdale/D.B.Purdy
Rexdale & Martingrove/S.A.Williamsen
St.Clair & Avenue Rd./H.A.LeBreton
St.Clair & Oakwood/J.E.Hollett
St.Clair & O'Connor/D.A.Kuzmich
Scarborough Town Centre/M.P.Regier
Sheppard Ave.E.& Consumers Road (Willowdale)/R.J.Murphy
Sheppard & Rivalda/P.G.Robichaud
Skyline Hotel (Rexdale)/D.R.Beckstead
Spadina & Adelaide/R.M.Herbert
Spadina & Dundas/V.L.Cu
Spadina & Dupont/Sub.to Bloor & Spadina
Steeles & Signet (Weston)/N.R.Fraraccio
University City Plaza (Downsview)/M.F.Doyle
University & Elm/L.W.Mitton
Victoria Park & Draycott Drive (Scarborough)/J.B.Hooker
Victoria Park & Ellesmere (Scarborough)/J.W.Hall
Victoria Park & Tempo (Willowdale)/W.W.Eaton
Westbury Hotel,Yonge & Wood/K.U.H.Nickel
Weston & Lawrence (Weston)/B.R.Gillett
Weston Rd.& Toryork Drive (Weston)/D.H.Thompson
Wilson & Jane/I.L.Harris
Wilson & Keele (Downsview)/D.K.Maki
Yonge & Adelaide/B.D.Miller
Yonge & Balliol Sts./G.L.Greene
Yonge & Cummer (Willowdale)/E.Kirsten
Yonge & Dundas/H.B.Smith
Yonge & Eglinton/B.A.Lopez
Yonge & Finch (Willowdale)/D.E.Wyles
Yonge & Greenfield (Willowdale)/P.D.Laidlaw
Yonge & Lawrence Ave./G.J.Crotty
Yonge & St.Clair/W.W.Milko
Yonge & Wellesley/A.R.Keep
York Centre,King & University Ave./V.D.Stockton
51 York Street/R.E.Campbell
Yorkdale Shopping Centre/B.MacDowell
Trenton/E.G.Sinclair
Trout Creek/Sub.to Powassan
Unionville/K.R.Good
Vanier,211 Montreal Road/R.P.Decaire
Vankleek Hill/R.Couperus
Wallaceburg/C.D.Laliberte
Waterloo,Waterloo Square/B.J.Magwood
County Fair Plaza/G.D.Napier
Parkside & Weber/C.Barnes
Union & Moore/W.W.Wells
355 Erb Street West/P.M.McDermott
Welland/G.E.Chipman
Lincoln Plaza/D.G.Rowe
Niagara & Thorold/D.A.Reid
Wellington/J.E.B.Stewart
West Hill,Kingston Road & Morningside/J.A.Blaine
West Hill,Port Union & Fanfare Avenue/J.E.Gattie
Weston/See Metropolitan Toronto
Whitby/W.T.Dodge
Wilberforce/K.G.Hopwood
Windsor:
491 Ouellette Ave./H.G.Fooks
Ambassador Plaza/D.E.White
Central & Tecumseh/E.J.Bailey
Dougall & Cabana/W.H.Reaume
1357 Ottawa Street/D.C.Pope
Viscount Motor Hotel/K.E.Lilley
Riverside Shopping Plaza/P.D.Maguire
Woodstock/K.E.Conley

MANITOBA AND NORTHWESTERN ONTARIO
254 Portage Avenue, Winnipeg, Man.

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C.K.Dalrymple, *Supervisor*

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Branch/Manager
Brandon/V.C.Gilbertson
Brandon Shoppers Mall/L.A.Edwardsen
Dauphin/M.Ziemanski
Emerson/D.L.Butt
Portage la Prairie/R.G.Anderson
Selkirk/G.W.Hampson
The Pas/D.F.Kerr
Thompson/D.P.Aubrey
Virden/J.B.Hutchison
Winnipeg Data Centre/L.N.Beal
Winnipeg, Portage & Garry/R.T.Terras
Corydon & Daly/L.Abramowich
Corydon & Waterloo/N.E.Shave
Dakota Village Shopping Centre/R.C.Kalansky
Dublin & Border/C.H.Meub
Ellice & Erin/L.G.McAssey
Garden City Square/C.J.Christie
Hull-Lennox Shopping Centre/D.J.Jeroski
Imperial Broadway Tower/L.J.Hettle
Main & Lombard/H.W.Turner
Main & Polson/G.M.Morlock
Main & Rupert/A.G.Ross
Marion & Traverse/G.R.LeFloch
Nairn Ave. & Panet Road/N.E.Hamel
1220 Pembina Highway/L.H.Rosenau
Portage & Colony/A.L.Henuset
Portage & Kennedy/G.T.Wilson
Portage & Roseberry/A.P.J.Wilson
Portage & Vimy/J.A.Begg
Portage & Toronto/S.T.Eckford
Springfield Heights Shopping Centre/H.J.Janzen
Sturgeon Park Plaza/B.I.Donnelly (Mrs.)
Unicity Fashion Square/F.T.Schoor
Windsor Park Shopping Centre/C.G.Spence
Winnipegosis/K.S.Kowaluk

Northwestern Ontario
Branch/Manager
Balmertown/B.N.Cheney
Beardmore/P.J.F.Gilbert
Kenora/E.E.Fletcher
Red Lake/B.N.Cheney
Thunder Bay, 225 Red River Rd./F.A.MacDiarmid
Victoria & May/A.L.Kuros

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1980 11th Avenue, Regina

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A.B.Selwood, *Supervisor*

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Aylsham/Sub. to Codette
Beechy/W.R.Grout
Carrot River/T.J.Cunningham
Choiceland/K.A.McMurchy
Codette/K.G.Burke
Glaslyn/G.E.Taylor
Hudson Bay/T.P.Reiniger
Humboldt/L.J.Baseraba
Kindersley/G.M.Koroll
Kinistino/D.L.Crane
Melfort/M.G.Martinson
Moose Jaw/C.R.Corrin
Nipawin/A.W.Taylor
North Battleford/B.P.Meier
Outlook/G.H.Pilling
Prince Albert/K.S.MacDonald
South Hill Shoppers' Mall/G.R.Laidlaw
Regina Data Centre/R.E.Gagnon
Regina:
11th Ave. & Hamilton St./A.H.Radons
Albert & Dewdney/L.L.Mapplebeck
Albert & 9th N./W.D.Becker
13th Avenue at Robinson St./D.F.Mack (Mrs.)
13th Avenue & Scarth St./D.B.Billingsley
Hillsdale Mall, 1380-23rd Avenue/W.J.Anton
Park St. & Arcola Avenue/B.A.Wood (Mrs.)
Regent Park Shopping Centre/J.D.Parker
Victoria & Winnipeg/C.D.Nave
Saskatoon:
133-135 Second Ave.S./H.K.Dickison
Avalon Shopping Plaza/M.D.Lerner
8th Street & Clarence Ave./B.F.Lensen
33rd Street & Avenue C/A.M.Kirchgessner
Midtown Plaza/T.G.Mason
Westgage Plaza/K.E.Lofgren
West Side Branch/P.A.L.Muench
Wildwood Mall/J.E.Ashby
Shellbrook/H.H.Teichreb
Spiritwood/P.J.Cress
Star City/A.W.Regier
Swift Current/R.A.E.Rehn
Wheatland Shopping Mall/D.M.Napper
Tisdale/I.Garstin
Wynward/A.L.Peturson
Yorkton/G.J.Herbst
Parkland Mall/L.D.Morrow

ALBERTA AND NORTHWEST TERRITORIES
700 - 2nd Street S.W., Calgary, Alta.

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A.E.Taylor, *Director, Administrative Services*

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G.N.Hway, Manager, Calgary Branch
M.N.L.Kennedy
G.McCrae
A.V.Stichbury
M.B.Toth
W.Zeniuk, Manager, Edmonton Branch

Branch/Manager
Airdrie/P.Clark
Arrowwood/B.A.Schnarr
Athabasca/W.G.Hergott
Barrhead/G.M.Cross
Blairmore/G.W.Tunbridge
Bowden/M.J.M.Gorsalitz (Mrs.)
Brooks/J.Westra
Calgary Data Centre/I.P.Hunter
Calgary:
240 8th Ave. West/G.N.Hway
Braeside Shopping Plaza/D.E.Klingbeil
Calgary Convention Centre/J.B.Mason
4805 Centre St. North/C.E.Doupe (Mrs.)
Crestwood Rd. & 69th Ave.S.E./R.E.Nicol
Eighth Avenue West/G.I.Allen (Mrs.)
First St. West & Sixth Ave./L.A.Fellinger
Foothills Industrial Park/G.A.Perkins
5842 Burbank Road, S.E./O.D.Berstad
518-16th Ave.N.E./B.A.Williamson
Lakeview Plaza Shopping Centre/G.R.T.Dyck
4812 Macleod Trail/E.E.Denesik
Centre 70, 7015 Macleod Trail/D.M.Hodgson
8822 Macleod Trail/R.J.Walker
Mayland Heights Shopping Plaza/H.Nazarchuk
4110 Morley Trail N.W./J.L.McDowell
North Hill/G.M.Billings
4936 Richmond Road, S.W./K.E.Green
Rundlehorn Plaza/A.D.Bessex
5th Ave. & 2nd St.S.W./R.D.Jacobs
7th Ave. & 6th St.S.W./E.L.Nettleton
17th Ave. & 8th St.S.W./B.G.Stork
17th Ave.S.E. & 38 St.S.W./J.G.Traub
17th Ave.S.E. & Radisson Drive/J.A.Templeton
33rd Avenue S.W./J.E.Langille
Stadium Shopping Centre/D.H.Herron
West End Branch/D.A.Rowat
Camrose/H.J.Stappler
Coaldale/A.D.Gillespie
Derwent/Sub. to Vermilion
Drayton Valley/O.D.Klassen
Drumheller/L.R.Cameron
Edmonton:
10050 Jasper Avenue/W. Zeniuk
1 Bonaventure Shopping Centre, 125th Ave. & St. Albert Trail/G.J.Marback
Century Place/T.E.Wrigley
Jasper Avenue & 107th Street/E.H.Ryks
Jasper Avenue & 115th St./J.A.Sedgwick
Jasper Place/R.C.Hamblin
Mayfield Rd. & 109th Ave./B.G.Farrell
Ottewell Shopping Centre/W.J.Lewis
Wagner Road/J.T.Williamson
82nd Ave. & 75th St./G.W.Iverson
82nd Ave. & 99th St./R.M.Greenhill
82nd Ave. & 105th St., South Edmonton/O.E.Windjack
97th St. & 132nd Ave./E.E.Ledieu
101st St. & 102nd Ave./W.W.Petryk
104th St. & 63rd Ave./A.Toth
163rd St. & 95th Ave./R.R.Dittrich
111th Ave. & 95th St./B.C.Wills
118th Ave. & 34th St./E.A.Smilar
118th Ave. & 81st St./V.G.Ratchinsky
118th Ave. & 90th St./J.B.Hugens
132nd Ave. & 82nd St./C.L.Leonard (Mrs.)
9915-108th Street/J.R.Arcand
10702-124th Street/L.G.Beatty
11140-149th Street/E.J.Westra
Edson/J.T.MacKenzie-Grieve
Ft.McMurray/R.G.J.Gilbert
Thickwood Hts., Fort McMurray/Sub. to Ft.McMurray
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Lethbridge Community College/Sub. to Mayor Magrath Drive, Lethbridge
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Orchard Park Shopping Centre / G.Almaas
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McBride / A.S.Finniss
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Mission City / A.R.Smith
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New Westminster, 728 Columbia St. / G.S.C.MacLean
Sixth Street & Fifth Avenue / J.Kristapuk
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Dominion & 3rd Ave. / Sub. to Victoria & 4th Ave.
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Yukon Territory

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Mexico City Representative Office
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Caracas Representative Office
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George Town, Exuma/P.A.Lunn (Mrs.)
Marsh Harbour, Abaco/J.E.Johnston (Mrs.)
Nassau, Rawson Sq./V.S.Einarson,
Bay & Deveaux/G.Wells
Cable Beach/A.L.Davis
Marlborough & Navy Lion Road/E.S.Sawyer
Palmdale/D.F.Weston
Paradise Island/F.G.O'Neale
Wulff Road & East Street/E.W.Widdifield
Stella Maris, Long Island/Sub.to George Town, Exuma

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Bridgetown/D.J.MacDiarmid
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Orange Walk/H.C.Gonzalez
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UNITED KINGDOM, EUROPE, MIDDLE EAST AND AFRICA REGIONAL OFFICE
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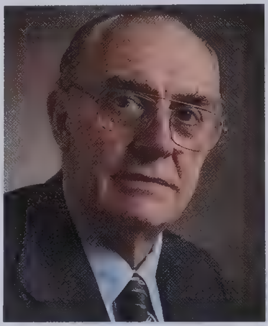

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C.P.O'Toole, *Deputy*

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P.Kluge, *Manager*

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R.N.Brandman, *Deputy*
J.D.Evans, *Deputy*

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C.A.A.Fowle
R.Marsman
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S.R.Holt, *Asst.General Manager*

W.T.Taylor, *Asst.General Manager & Special Representative*

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E.G.Bernard, *Asst.General Manager and Manager*

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G.Fanning, *Manager*

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D.H.Stewart, *Manager*

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Tokyo: 1-1 Marunouchi 1-chome, Chiyoda-Ku, Tokyo 100
B.P.S.Gray, *Senior Representative*
G.J.Korenaga, *Special Consultant*

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W.T.Taylor
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Scotia Covenants Group Limited
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Scotia Leasing Limited
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Adela Investment Company S.A.
Malaysian Industrial Development Finance Berhad
P.T. Private Development Finance Company of Indonesia
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Officers
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Bernard Sunley Building, Rawson Square, Nassau, Bahamas
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Directors
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J.A.G.Bell
T.A.Boyles
A.H.Crockett
The Hon. Donald M.Fleming, P.C., Q.C., D.C.L., LL.D.
Sir Kenneth Keith
Sir Robin McAlpine, C.B.E.
Sir Denis Mountain, Bt.

Officers
J.Bentley, A.C.I.S., A.I.B., *Secretary*
D.A.Young, A.I.B., *Manager*

Wholly owned subsidiaries of The Bank of Nova Scotia Trust Company (Bahamas) Limited with common directorate

The Bank of Nova Scotia Trust Company (Caribbean) Limited
8 Broad Street, Bridgetown, Barbados
G.Haynes, *Manager*

The Bank of Nova Scotia Trust Company (Cayman) Limited
Cardinal Avenue, George Town
Grand Cayman, Cayman Islands
R.D.Ellis, F.C.I.S., A.I.B.(Scot.), *Manager and Secretary*

BERMUDA

Bermuda National Bank Limited
P.O.Box 1540, Church Street, Hamilton 5, Bermuda
D.F.Babensee, *Managing Director*

Directors
W.R.Kempe, *Chairman and President*
D.F.Babensee
R.L.Barnard
A.H.Crockett
A.H.Gurr
The Hon. R.O.Marshall, M.P.
W.S.McDonald
W.R.Parker
Lois M.R.Perinchief (Miss)
C.E.Ritchie
Gerald Simons
The Hon. C.V.Woolridge, M.P.

Officer
S.Instone (Mrs.), *Secretary*

Branch Offices
Southampton / Sub. to Hamilton
St.George's / Sub. to Hamilton

Wholly owned subsidiary of Bermuda National Bank Limited

Bermuda National Executor and Trustee Company Limited
A.M.Wilkinson, *Managing Director*

Directors
D.F.Babensee, *Chairman & President*
R.L.Barnard
A.H.Gurr
W.R.Kempe
A.M.Wilkinson

Officer
S.Instone (Mrs.), *Secretary*

JAMAICA

The Bank of Nova Scotia Jamaica Limited
P.O.Box 709, Kingston, Jamaica

I.M.MacGregor, *General Manager*

Directors
A.H.Crockett, *Chairman*
J.A.G.Bell
T.H.Donaldson
M.W.L.Facey
O.E.Jones
G.Knapp
I.M.MacGregor
M.M.Matalon
W.S.McDonald
C.E.Ritchie

Officers
G.Knapp, *Asst. General Manager*
H.A.Sanguinetti, *Asst. General Manager*
K.A.Senior, *Comptroller*
The Bank of Nova Scotia Trust Company, Jamaica, *Secretary*

Supervisors
W.A.Atkinson
W.A.Lawrence
G.E.Milton
F.A.Roach
R.Stolberg

Branch / Manager
Albert Town / Sub. to Christiana
Black River / H.A.Mah Lee
Brown's Town / D.L.Davis
Christiana / L.F.Neufville
Claremont / Sub. to St.Ann's Bay
Clark's Town / Sub. to Falmouth
Edgewater / Sat to Spanish Town
Falmouth / L.S.De Rizzio
Frankfield / Sub. to Christiana
Gayle / Sub. to Ocho Rios
Highgate / M.A.Kong
Junction / Sub. to Santa Cruz
Kingston Data Centre / J.McCarthy
Kingston
- 35-45 King Street / G.C.Allen
- Cross Roads / N.A.Baker, M.A.Chin, *Asst.*
- Duke Street / K.I.Hastings
- East Queen Street / S.G.Samouth
- Hagley Park Road / F.D.Jackson
- Half Way Tree / R.St.A.Golding
- Liguanea / L.G.Franklin
- Maxfield Avenue / V.R.Besley
- New Kingston / R.P.Fung
- Newport West / K.A.Calder
- Oxford Road / J.T.M.Bullock
- Premier Plaza / D.A.Lazarus
- Princess Street / A.C.Gordon
- Red Hills Road / N.M.Tavares
- Scotiabank Centre / Duke and Port Royal Sts / J.G.Keith, O.F.Walker, *Deputy Mgr.*
- Spanish Town Road / K.L.E.Scott
- Victoria Avenue and Blake Road / E.A.Richards

Linstead / E.B.Chambers
Lucea / Sat to Savanna-La-Mar
Mandeville / H.G.M.Ryan
- Manchester Shopping Centre / Sub. to Mandeville

May Pen / W.P.Barrett
May Pen West / Sat to May Pen
Montego Bay
- Sam Sharpe Square / A.B.Lindo
- Barnett Street / Sub. to Montego Bay
- Westgate / H.A.Morris

Morant Bay / C.J.Lyew
Ocho Rios / A.S.Stona
Old Harbour / R.R.Gordon
Oracabessa / Sub. to Port Maria
Port Antonio / E.A.Cassier
Port Maria / K.G.Simpson
Porus / Sub. to Mandeville
St.Ann's Bay / D.C.Ennis
Santa Cruz / R.L.Treasure
Savanna-La-Mar / D.O.Williams
Spanish Town
- Adelaide Street / G.R.Tingling
- Wellington St / Sat to Spanish Town

Wholly owned subsidiary of The Bank of Nova Scotia Jamaica Limited

The Bank of Nova Scotia Trust Company of Jamaica Limited
30 Duke Street, Kingston, Jamaica
I.M.MacGregor, *Managing Director*

Directors
A.H.Crockett, *Chairman*
J.A.G.Bell
M.W.L.Facey
R.J.Issa
O.E.Jones
W.H.Kent
G.Knapp
I.M.MacGregor
W.S.McDonald
C.E.Ritchie
H.A.Sanguinetti

Officer
A.M.Scott, LL.B.(Hons), *Manager & Secretary*

The West India Company of Merchant Bankers Limited
30 Duke Street, Kingston, Jamaica
(Also asssociated with The Bank of Nova Scotia Jamaica Limited)

I.M. MacGregor, *Managing Director*

Directors
A.H.Crockett, *Chairman*
J.A.G.Bell
W.H.Kent
G.Knapp
I.M.MacGregor,
W.S.McDonald
C.E.Ritchie
H.A.Sanguinetti
W.E.Wynter

Officer
O.X.Smith, *Manager*

NETHERLANDS ANTILLES

Maduro & Curiel's Bank N.V.
Willemstad, Curacao, Netherlands Antilles

L.Capriles, *Managing Director*
J.M.A.Tiemens, *Managing Director*

Directors
I.H.Capriles
L.Capriles
M.E.Curiel
M.F.Henriquez
R.A.C.Henriquez
W.H.Kent
M.S.L.Maduro
W.S.McDonald
R.Moreno
C.E.Ritchie
J.M.A.Tiemens

Subsidiaries of Maduro & Curiel's Bank N.V.

Antillian Management Corporation, "Amaco"
Curacao, Netherlands Antilles

Caribbean Credit Corporation N.V.
Aruba, Netherlands Antilles

Caribbean Mercantile Bank N.V.
Aruba, Netherlands Antilles

N.V. De Curacaosche Hypotheekbank
Curacao, Netherlands Antilles

Maduro & Curiel's Bank (Bonaire) N.V.
Bonaire, Netherlands Antilles

Maduro & Curiel's Trust Company N.V.
Curacao, Netherlands Antilles

N.V. De Spaar-en Beleenbank Van Curacao
Curacao, Netherlands Antilles

N.V. Trust — En Administratie Maatschappij Van N.V. Maduro & Curiel's Bank
Curacao, Netherlands Antilles

The Windward Islands Bank Limited
St.Maarten, Netherlands Antilles

PHILIPPINES

Security Bank and Trust Company
6778 Ayala Avenue, Makati, Rizal, Philippines

J.P.Jacinto, *Chairman & Chief Executive Officer*

Directors
J.P.Jacinto, *Chairman & Chief Executive Officer*
W.P.Jacinto, *Vice-Chairman & President*
N.P.Jacinto Jr., *Executive Vice-President & Corporate Secretary*
V.J.Carlos
M.de Leon
P.L.Lim
C.E.Ritchie
K.S.Rowe
A.Taapken
E.Tanco
A.Young

Officers
J.J.Carlos Sr., *Senior Vice President*
E.A.Rufino, *Treasurer*

SINGAPORE

Singapore Gold Clearing House Private Limited
28th Floor, Clifford Centre, Raffles Place, Singapore 1
Wee Eng Hock, *Chairman*

Directors
Loh Hoon Sun
K.S.Rowe
Oliver Tan Kok Kheng
Wee Eng Hock
Yap Kip See

TRINIDAD AND TOBAGO

The Bank of Nova Scotia Trinidad & Tobago Ltd.
116 Frederick Street, P.O.Box 621
Port of Spain, Trinidad
R.A.Chan, *General Manager*

Directors
C.E.Ritchie, *Chairman*
N.Ahamad
J.A.G.Bell
R.A.Chan
G.Chay
A.H.Crockett
T.Hosein, Q.C.
J.de Lima
W.S.McDonald
B.V.Primus
R.G.Taylor

Officers
C.W.Chin, *Supervisor*
B.F.Dolan, *Supervisor*
H.R.Henderson, *Supervisor*

The Bank of Nova Scotia Trust Co. of the West Indies Limited, *Secretary*

Branch/Manager
Arima/D.L.Martin
Chaguanas/A.G.Slack
Couva/J.M.Elias
Marabella/R.A.Vieira

Port of Spain:
1 Frederick St/J.W.MacDonald
Park & Pembroke/N.L.Allum
Queen & Charlotte/B.A.Nicholson
St.James/C.R.Leung (Miss)

Princes Town/T.E.Kowlessar
Rio Claro/L.J.Lee

San Fernando:
49 High Street/O.A.Mohammed,
Cipero & Rushworth St./P.Pooran

Sangre Grande/A.V.Boissiere
San Juan/J.B.Singh
Scarborough, Tobago/S.S.Muradali
Tunapuna/W.A.Francis

Wholly owned subsidiary of The Bank of Nova Scotia Trinidad & Tobago Limited

The Bank of Nova Scotia Trust Company of The West Indies Limited
46 Park Street, Port of Spain, Trinidad
R.A.Chan, *Managing Director*

Directors
C.E.Ritchie, *Chairman*
N.Ahamad
J.A.G.Bell
R.A.Chan
G.Chay
A.H.Crockett
T.Hosein, Q.C.
J.de Lima
W.S.McDonald
B.V.Primus
R.G.Taylor

Officers
J.P.Hutton, *Manager & Secretary*
N.F.Delmas, *Asst. Manager*

UNITED KINGDOM

United International Bank Limited
30 Finsbury Square, London, England
A.A.Weissmuller, *Managing Director*

Directors
Sir N.P.Biggs, *Chairman of the Board, United International Bank Limited, Director, Williams & Glyn's Bank Limited*
A.Dupont-Fauville, *Deputy Chairman, United International Bank Limited, Chairman and Managing Director, Crédit du Nord*
W.F.van Beuningen, *General Manager, Bank Mees & Hope N.V.*
C.B.Danielsson, *Director & Chief General Manager, Post-Och Kreditbanken, Pkbanken*
F.Giscard d'Estaing, *Chairman, Banque Française du Commerce Exterieur*
K.Hartlieb, *Member of Executive Board, Bayerische Hypotheken und Wechsel-Bank*
C.E.Ritchie, *Chairman of the Board, President, & Chief Executive Officer, The Bank of Nova Scotia*
J.A.Sanchez Asiain, *Chairman, Banco de Bilbao*
A.Schmiegelow, *Managing Director, Privatbanken*
A.A.Weissmuller, *Managing Director, United International Bank Limited*
T.R.Wilcox, *Chairman of the Board & Chief Executive Officer, Crocker National Bank*

Officer
W.E.Davis, F.C.A., *Secretary*

UNITED STATES

Banco Mercantil de Puerto Rico
One Mercantil Plaza
Hato Rey, Puerto Rico
C.Henriques, *President & Chief Executive Officer*

Directors
R.J.Martinez Giralt, *Chairman*
C.Haeussler, *Vice Chairman*
F.A.Acosta, *Vice President*
I.Diaz de Aldrey
F.A.Calaf Collazo
E.Cordova Diaz, *Secretary*
C.Henriques
C.M.Hitt
J.J.Mari, *Sr. Vice President*
R.Masshеder
F.S.Polanski, *Sr. Vice President*
E.Vassallo, *Treasurer*
J.F.Wright, *Sr. Vice President*

Officers
W.S.McDonald, *Executive Vice President*
C.E.Ritchie, *Executive Vice President*

Branch/Manager
Hato Rey/J.C.Griffith
Ponce/O.Chardon, *Vice President*
Rio Piedras/F.S.Alvarez
Santurce/J.C.Orrett

Schroders Incorporated
One State Street
New York, New York
M.J.Maged, *President*

Directors
J.C.Bayley, *Chairman*
The Earl of Airlie
Dr.K.Goette
J.I.Howell
M.J.Maged
Hon.P.H.Nitze
S.R.Petschek
R.Wilson
M.B.Witschi

Officers
M.G.H.Gilliam, *Secretary*

Shown opposite is Scotiabank's main branch in Saint John, New Brunswick, which was opened officially on May 4, 1978. The branch, now relocated in the new Brunswick Square development, was designed with a nautical theme to reflect Scotiabank's origins in Canada's Maritime Provinces. Near the centre of the photograph is a brass replica of the seal of the Bank of New Brunswick, Canada's first chartered bank, which amalgamated with The Bank of Nova Scotia in 1913. The Brunswick Square development also houses Scotiabank's Regional Office for New Brunswick and Prince Edward Island.


BANK OF NEW BRUNSWICK
1820
Scotiabank
THE BANK OF NOVA SCOTIA

THE BANK OF NOVA SCOTIA
44 King Street West, Toronto, Canada M5H 1E2

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